

GST is so good that...

JULY 06, 2022

By Vijay Kumar

THE

whole week was celebration time for the GST Administration - GST completed five glorious years and the coffers were filling to the smiles of the babus and the trade graciously joined the celebration lauding the efforts of all concerned in making GST a good and simple tax.

The CBIC function on 1 st July in New Delhi started with a Ganesh Vandanam by the officers. [Click here](#)

Apparently, the Finance Minister was thoroughly impressed. This is what she said, ([ClickHere](#))

Let me start by saying something else first -I am standing before you to feel so happy that today we have a set of people from the Board who can come and give us a good beginning. What a beautiful rendition of GaneshVandana! You know the impression about tax authorities in this country, Oh my god! tax official! Oh my god, are they coming to my house? are they coming to do a survey? are they going to do a search? are they sending me a notice? They are sending you beautiful Ganesh Vandana. What a beautiful beginning was it; you know actually so talented set of good, beautiful very skilled people and the skills range from singing to the award recipient who made an app for you; all right, look at the very talents you have; it's just a beautiful day. I am telling you today; it's just a beautiful day where each one of your talents directly and not so directly helping the mood of the country and that's what kept you all going in the five years.

She also had solemn words:

and as much as I say this, I do remember the days during the lockdown; during the pandemic when tax collections had to still get keep going, we needed the resources to trickle in and it was only trickles but even at that time the way in which the field formations worked and I actually have a very honest profound thought for all those who lost their lives during that time, their families - they may have been just that one bread winning member of the house so; I do remember them even as we are talking about what in five years we've achieved I also bow my head in respect for every one of you all who served during the pandemic -those were very difficult days.

But she was rightly happy about the day as she stated:

Whilst we were worried about the completely dropping collections, today we remember what we can show within a matter of five years and they were not ordinary years; of the five years two years went with the pandemic lockdown national level lockdown and then state level and then some containment zones so it was never the same but you still managed to get great collections; within the five years the GST is showing what it is and the first thing I spoke about the GaneshVandana and the talent that you have and let me announce today what the collection was for the month which went by, June, the gross GST revenue collection for the month of June 2022 is one lakh forty four thousand six hundred and sixteen crores. We are now showing that the GST revenues remain above 1.40 lakh crores. So, 1.40 seems to be the rough bottom line; we are not going below that.

You are playing a very critical role in this country's taxation system; don't you doubt yourselves.

The Trade representatives who were given the opportunity of describing how good the tax system was, did not disappoint, as the following comments from some of them would show:

GST has truly turned out to be a path breaking and revolution accession system which has definitely improved the way that we do business and ease of doing business and has gone a long way in becoming the good and simple tax.

First is that the free and smooth flow of goods across the borders of the states because there is one simple taxation decisions are simple; implementation events more simple; there's no congestion of trucks on borders; there's a lot of saving because time is saved, taxes are reduced and overall planning has become easier; compliance also has become simpler and easier and cheaper. I would say the digital compliance and single uniform taxation system has certainly improved the ability to focus on business and not only on paperwork and compliance; the e-way bill system I would like to say in fact has also been a great improvement on being able to facilitate interstate trade in a very convenient way.

This person had a few suggestions

1. if faster processing of IGST refund is introduced, it will help in reducing the blockage of funds that we all face.
2. if we can also include capital goods and services that's paid on capital goods and services in refund, it will also further unlock the funds that are blocked.
3. time has come probably to also look at a stronger infrastructure boost which will further facilitate faster processing of GST returns and use of the portals.

Another Industry captain declared,

One market with uniform GST rates and ITC availability, once an aspiration for many micro industries to be able to sell across the country is now a reality because of GST.

But he had a request,

GST is liable to be paid with reference to date of supply irrespective of receipt of payment from the buyers with delayed payment received MSMEs are unable to bear 18 percent interest liability on delayed payment of tax; hence we request the government to reduce the rate of interest payable by the really tiny ones to nine percent at least for the first three months to provide them substantial relief.

Another entrepreneur lauded,

The biggest benefit GST has brought to me being a businesswoman I can now devote more time into growing my business rather than focusing on compliances. I would like to thank all these stakeholders present here and outside for their role in successful implementation of GST.

A senior tax manager from a mega corporation paid mega compliments,

I would like to convey extreme gratefulness and thanks to the present government, GST council under leadership of honourable finance minister bringing this miracle of GST which we never thought of; it has made life of business very simple.

Once again gratefulness to the government for bringing this miracle.

The digital way of registration has helped the trade at all levels being small or being large organizations. Similarly, this Aadhaar based verification also is very helpful. We are conscious of the fact of some, I would say, registration by the fake entities and we fully support the government on what are the counter measures government plan to do to avoid this means of fake

registrations

Yet another happy taxpayer believed,

Pre-GST, we had to go to 40 different states and central government offices to obtain each of the registrations; now there is a single platform where I can obtain all those 40 registrations; the same platform gives us the flexibility and the enablement to raise e-way bills and the same platform enables me to make payments to more than 40 different authorities across India without even leaving my office for a minute; this platform same single one platform gives us the enablement to file tax returns for which we had to engage different advisors in different states; all those 40 tax returns can be filed at just a click of a button just in sitting in my office; now this is a simple example of what GST has done for industry, trade and commerce; it has significantly reduced our cost of compliances; has significantly made us more efficient in managing our time.

The Finance Ministerre called those days when

It looked an insurmountable problem at that stage to convince people that it is going to be a good and simple tax because the technology also was something which had to be explained to small and medium; today you have a lot of small and medium industries coming and speaking about how it has facilitated but the apprehensions that they had in their mind then had to be removed and they had to be familiarized with the technology which was before them.

So, 2019 was a time when the hardware was not catching up with the expectation and I do remember at that time after a point I had to invite Sri Nandan Nilekani to come and explain what's happening; why wouldn't the expectations of the taxpayer be met because we did claim that the simplification is going to be technology driven and he did come.

She had a few words of caution:

We should even better perform in terms of removing even one little iota of discretion if it prevails anywhere. We should just make sure the system is so transparent that whisper of allegation about discretion somewhere in the ground should be completely removed.

And she concluded,

So, it's time for me actually to say to each one of you all, not just those 35 certifications receiving tax officials; each one member of the Board, each one in the field formation, each one belonging to Department of Revenue deserves a very big applause.

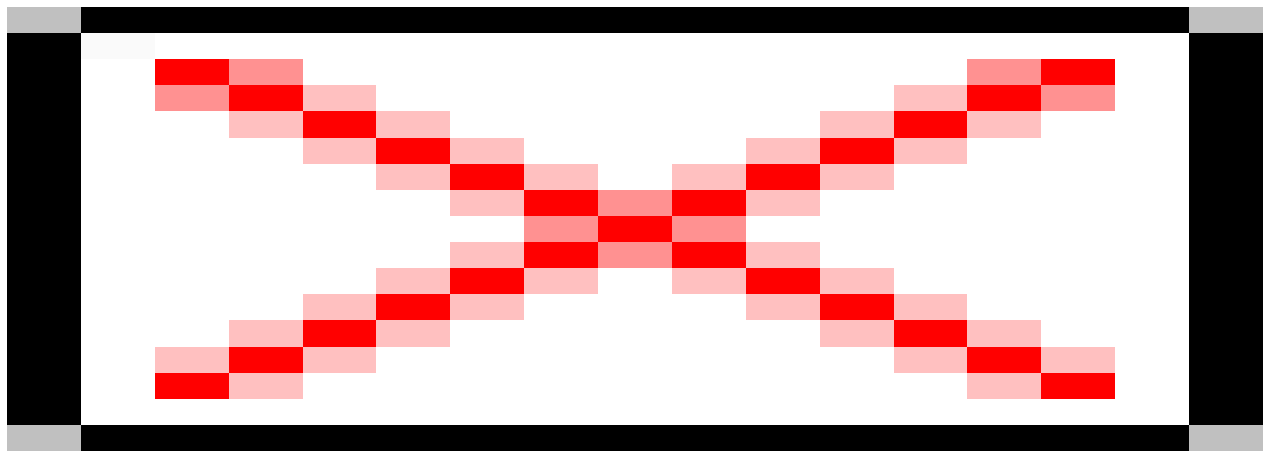
And the compere announced-

I request all the chief commissioners and above officers to kindly proceed to VIP lounge for lunch.

And repeated.

I request all the officers, chief commissioner and above to kindly proceed to VIP lounge for lunch.

In an otherwise perfect world with a perfect GST, the only confusion I have is about the role of those two GST Inspectors in uniform standing behind the dignitaries on the dais.



Until Next week