Delivering the goods
GST revenue increase suggests the indirect tax
regime is overcoming teething problems

**C**ollections from the Goods and Services Taxcrossed the ?1 lakh crore mark in April, accord­ing to data released by the Finance Ministry on tax receipts that accrued in March but were payable in April. To be precise, the total revenue from the new in­direct tax in April was ?1,03,458 crore, the highest re­corded in a single month since its implementation in Ju­ly 2017. Finance Minister Arun Jaitley has called this a “landmark achievement” and a “confirmation of in­creased economic activity”. Separate data released last week suggest the number of registered tax-payers filing GST returns by the specified deadline has risen from 57% for July to nearly 63% for March. And since many had consistently failed to meet the deadline in the in­itial months of confusion over the online returns filing system, it is heartening to note that by the final month of the financial year, they had caught up on their past arrears too. Overall tax compliance for July 2017 is now over 96% of registered taxpayers who are required to file, and ranges from 92% to 80% for each month the­reafter, till December. Further simplification of the re­turns, hanging fire for a while now, must be expedited to improve compliance. Though it referred to the re­cord GST collections as a sign of an upswing in the eco­nomy, the government, to be fair, also stressed that this number may be driven by the human tendency to wrap up pending official dues at the last moment — which in this case is the last month of the financial year. Yet, even delayed compliance is a welcome ‘new normal'.

True, the revenue influx in April cannot be taken as a firm trend for the future. But given the tumult the GST caused in its initial months and the fear of high evasion levels that gripped officials when revenues tumbled af­ter three months of ?90,000 crore-plus collections, it is fair to say that the new tax system has ended its first three quarters on a robust note. By virtue of just the April inflows, the average monthly collection has gone from ?89,885 crore in the first eight months to over ?91,300 crore. This number is important, as by the go­vernment's own reckoning the new regime needed to deliver about ?91,000 crore a month to ensure that re­venues lost by the Centre and the States under the ear­lier indirect tax system are covered. Fresh anti-evasion measures introduced in the past few weeks, such as the e-way billing to track movement of goods, could plug leakages to some extent. The government is keen to start matching tax credits claimed by businesses for in­puts from suppliers. While these should boost GST re­venues in the new financial year, nothing will beat fiscal stress better than a sustained revival in consumption and investment demand. Policymakers need to ensure that the uptick in car sales and demand for steel and ce­ment is catalysed further.

1. [**regime**](https://en.oxforddictionaries.com/definition/regime) (noun) – system, plan, scheme.
2. [**teething problems**](https://en.oxforddictionaries.com/definition/teething_troubles) (plural noun) – teething troubles/issues; temporary problems facing while starting a new project.
3. [**accrue**](https://en.oxforddictionaries.com/definition/accrue) (verb) – accumulate, collect, gather.
4. [**heartening**](http://www.oxforddictionaries.com/definition/english/hearten?q=heartening) (adjective) – encouraging, boosting, comforting.
5. [**catch up**](https://en.oxforddictionaries.com/definition/catch_something_up) (phrasal verb) – pick up.
6. tax compliance (noun) – the degree to which a taxpayer complies (or fails to comply) with the tax rules of his or her country, for example by declaring income, filing a return, and paying the tax due in a timely manner.
7. [**hang fire**](https://en.oxforddictionaries.com/definition/hang_fire) (phrase) – delay, hold back, pause.
8. [**expedite**](https://en.oxforddictionaries.com/definition/expedite) (verb) – speed up, accelerate, hurry.
9. [**upswing**](https://en.oxforddictionaries.com/definition/upswing) (noun) – increase, growth, rise.
10. [**wrap up**](https://en.oxforddictionaries.com/definition/wrap_something_up) (phrasal verb) – conclude, finish, complete.
11. [**the new normal**](https://en.oxforddictionaries.com/definition/the_new_normal) (phrase) – an earlier unusual situation that becomes a standard now.
12. [**influx**](https://en.oxforddictionaries.com/definition/influx) (noun) – an inflow or entry of things (revenue here).
13. [**tumult**](https://en.oxforddictionaries.com/definition/tumult) (noun) – turmoil, confusion, disorder.
14. [**evasion**](https://en.oxforddictionaries.com/definition/evasion) (noun) – avoidance, dodging, bypassing.
15. [**grip**](https://en.oxforddictionaries.com/definition/grip) (verb) – afflict, affect, torment.
16. [**tumble**](https://en.oxforddictionaries.com/definition/tumble) (verb) – fall sharply, plummet, decrease/decline.
17. [**by virtue of**](https://en.oxforddictionaries.com/definition/by_%28or_in%29_virtue_of) (phrase) – because of, on account of, through.
18. [**reckoning**](https://en.oxforddictionaries.com/definition/reckoning) (noun) – opinion, judgement, evaluation.
19. [**plug**](https://en.oxforddictionaries.com/definition/plug) (verb) – stop, block, close.
20. fiscal stress (noun) – the conditions of increased revenue scarcity and/or escalated expenditure demands that significantly strain a government’s financial resources.
21. [**sustained**](http://www.oxforddictionaries.com/definition/english/sustained?q=Sustained) (adjective) – continuous, prolonged, constant.
22. [**revival**](https://en.oxforddictionaries.com/definition/revival) (noun) – improvement, betterment; restoration.
23. [**uptick**](http://www.oxforddictionaries.com/definition/english/uptick?q=uptick+) (noun) – a small increase.
24. [**catalyse**](http://www.oxforddictionaries.com/definition/english/catalyse?q=Catalyse) (verb) – to cause/accelerate some action/process.