

Coverage For GST Industry News

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SHSHIR SINHA

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The Goods and Services Tax (GST) regime has seen a significant change in the assessee segmentation compared to the pre-GST era when VAT and Central excise were in place. There are fewer assesses now in the lowest and highest slabs while all the other slabs have seen an increase.

As on July 25, a total of 63.7 lakh taxpayers migrated from the old system, while 49.53 lakh new taxpayers became part of the indirect tax system taking the total number of taxpayers under GST to more than 113 crore. These include 17.66 lakh taxpayers who have opted for the composition scheme.

The government expects the total number of assessee to go up as the GST Council has decided to give businesses one more chance to migrate to the new system. To incentivise them, migrants may be allowed to file GST return for the July 2017-August 2018 period without any late fee.

The GST regime requires any business with an annual turnover of ₹20 lakh or more (₹10 lakh in some North-Eastern States and hilly States) to get registered. Earlier, different States had different slabs for registration under VAT/ST, which was as low as ₹1 lakh and could go up to ₹10 lakh; the thresholds for service tax and Central excise were ₹10 lakh and ₹1.5 crore, respectively.

The GSTIN study found that during the pre-GST regime, more than 60 per cent taxpayers were in the turnover slab 'up to ₹20 lakh'. Post-GST, that came down to 52.24 per cent. Since some States earlier had a threshold of below ₹20 lakh or even below ₹10 lakh, many small businesses went out of the tax net, lowering their share in the total GST payers. The share of taxpayers with turnover of ₹5 crore or less has fallen to 93.29 per cent, against 94.25 per cent earlier.

The share of taxpayers in the ₹100-crore slab has fallen by eight basis points. This could be because some products are — crude oil, petrol, diesel, ATF and natural gas, and alcohol for human consumption — are still under the old regime.