

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE

**LOK SABHA**  
**UNSTARRED QUESTION NO- 212**

TO BE ANSWERED ON MONDAY, 14<sup>th</sup> SEPTEMBER, 2020/BHADRAPADA 23, 1942  
(SAKA)

**GST Shortfall**

212. MS. S. JOTHIMANI:

Will the Minister of FINANCE be pleased to state:

- (a) the details of reasons for revenue shortfall in the Goods and Services Tax (GST);
- (b) the details of options available to the States like Tamil Nadu to meet the revenue shortfall in GST collections and the objections from the States for the options;
- (c) the measures which have been taken by the Government for fulfilling its moral and legal obligation to pay the compensation for the shortfall in GST collections to the States;
- (d) the State-wise details of amounts disbursed under GST compensation as of date;
- (e) whether the GST cess will be extended beyond 2022 and if so, the reasons therefor; and
- (f) the details of decline in GST revenue, State-wise including Tamil Nadu and the reasons therefor?

**ANSWER**

**THE MINISTER OF STATE IN MINISTRY OF FINANCE**  
**(SHRI ANURAG SINGH THAKUR)**

(a) & (f) Total net GST target (for centre, as per receipt budget document) has been pegged at Rs. 6,90,500 crore for 2020-21 in the general Union Budget, 2020-21. The actual net GST collection for the centre till August, 2020 is Rs. 1,81,050 crore, which shows 26.2% achievement (till August, 2020) of BE 2020-21 (the details enclosed at **annexure-I**).

The BE estimates for FY 2020-21 of GST in the Union Budget, 2020-21 were projected on the basis of assumption of higher growth of GDP, however as per CSO, MoS&PI press release [on 31<sup>st</sup> August, 2020], the Nominal GDP for Q1 (April-June), 2020-21 shows a contraction of 22.6% which is one of the major reason for revenue shortfall in GST. Other reasons for low tax collection inter-alia include nationwide lockdown measures implemented since March 2020 consequent to global Covid-19 pandemic which led to limited economic activities, extension of GST return filings timelines without payment of interest, late fee or penalty etc.

(b) & (c): As per provisions in Section 7 of the GST (Compensation to States) Act, 2017 loss of revenue to the States shall be calculated and released at the end of every two months' period, for 5 years. Accordingly, admissible GST compensation for the period April, 2019 to March, 2020 has been released to all States/ UTs **including Tamil Nadu**. Due to short GST Compensation Cess collection in the current financial year, GST compensation is yet to be paid for the period April-July, 2020.

Accordingly, issue of pending GST compensation and future course of action to meet the GST compensation shortfall has been discussed in 41<sup>st</sup> GST Council meeting on 27.08.2020 wherein States were given two options to meet their GST compensation shortfall for current FY from market borrowing. It was also decided that States will give their preference views thereon. Thereafter on finalization of scheme, the states can choose either Option 1 or Option 2 and accordingly, their compensation, borrowing, repayment etc. will be dealt as per their individual choice. The Chief Minister of Tamil Nadu vide his letter dated 31.8.2020 had requested the Hon'ble Prime Minister that Government of India can raise the required funds as a loan and lends it to the GST compensation fund against future cess receipts, so that the GST compensation can be paid in full to the States in 2020-21.

(d) State wise detail of GST compensation disbursed is as per **Annexure II**.

(e) Section 18 of Constitution (One Hundred and First Amendment) Act, 2016 provides for payment of GST compensation to the states, on the recommendation of the GST Council, for loss of revenue arising on account of implementation of GST for a period of five years.

(f) The details of decline in GST revenue (domestic) State-wise are as per **Annexure-III**

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## ANNEXURE I

**GST Collection since inception**

(Rs. In crore)

Tax Head	2017-18		2018-19		2019-20		2020-21	
	Revised Estimate (RE)	Actual	Revised Estimate (RE)	Actual	Revised Estimate (RE)	Actual	Budget Estimate (BE)	Actual[April-August] (Provisional)
CGST	221400	203261	503900	457534	514000	494070	580000	125308
IGST	161900	176688	50000	28945	-	9204	-	27580
GST Compensation Cess	61331	62612	90000	95081	98327	95551	110500	28163
<b>Net Collection</b>	<b>444631</b>	<b>442561</b>	<b>643900</b>	<b>581559</b>	<b>612327</b>	<b>598825</b>	<b>690500</b>	<b>181051</b>

Source: Receipts Budget, PrCCA, CBIC

## Details of GST Compensation

(Rs. in crore)

S.No	Name of State/UT	GST Compensation released in				Total
		FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Andhra Pradesh	382	0	1840.76	1187	3410
2	Arunachal Pradesh	15	0	0.00	0	15
3	Assam	886	466	878.97	488	2719
4	Bihar	3041	2571	3524.78	2265	11402
5	Chattisgarh	1483	2261	3081.44	1877	8702
6	Delhi	157	4182	7436.00	2160	13935
7	Goa	252	476	818.70	329	1876
8	Gujarat	3687	6149	10646.52	5822	26305
9	Haryana	1199	2820	5453.43	2522	11994
10	Himachal Pradesh	539	2037	1877.33	1018	5471
11	J & K	1137	1462	2279.28	1230	6108
12	Jharkhand	1265	1029	1531.82	859	4685
13	Karnataka	6246	10754	14496.90	7266	38763
14	Kerala	1772	2884	5575.04	3514	13745
15	Madhya Pradesh	2511	2866	4530.78	2600	12508
16	Maharashtra	1488	8330	15018.13	6837	31673
17	Manipur	24	0	0.00	0	24
18	Meghalaya	124	73	101.45	65	363
19	Mizoram	0	0	0.00	0	0
20	Nagaland	0	0	0.00	0	0
21	Odisha	2019	3390	3928.78	1917	11255
22	Puducherry	333	592	862.29	338	2125
23	Punjab	4037	7129	8804.54	6310	26281
24	Rajasthan	2598	2176	4439.53	2675	11889
25	Sikkim	6	0	0.00	0	6
26	Tamil Nadu	632	3151	8922.03	5442	18147
27	Telangana	169	0	2263.16	791	3223
28	Tripura	129	155	171.00	159	614
29	Uttar Pradesh	2124	308	5179.52	3943	11555
30	Uttarakhand	1283	2037	2477.38	1452	7249
31	West Bengal	1608	1977	4358.74	2479	10423
	<b>Total</b>	<b>41146.00</b>	<b>69275.00</b>	<b>120498.29</b>	<b>65546.20</b>	<b>296465.49</b>

**GST revenue, State-wise April-Aug 2020-21 YoY**

State Code	State/UT	2019-20	2020-21	Decline in %
1	Jammu and Kashmir	1680	1169	-30.5
2	Himachal Pradesh	3390	2219	-34.5
3	Punjab	6497	4580	-29.5
4	Chandigarh	821	578	-29.5
5	Uttarakhand	6327	3760	-40.6
6	Haryana	23975	15869	-33.8
7	Delhi	18524	11907	-35.7
8	Rajasthan	13576	10066	-25.9
9	Uttar Pradesh	27170	19563	-28.0
10	Bihar	5294	4081	-22.9
11	Sikkim	916	855	-6.7
12	Arunachal Pradesh	235	199	-15.4
13	Nagaland	122	136	11.5
14	Manipur	162	120	-25.8
15	Mizoram	128	72	-43.6
16	Tripura	276	270	-2.1
17	Meghalaya	645	459	-28.9
18	Assam	4062	3171	-21.9
19	West Bengal	18389	11781	-35.9
20	Jharkhand	10091	5967	-40.9
21	Odisha	13011	9889	-24.0
22	Chhattisgarh	10266	8549	-16.7
23	Madhya Pradesh	11626	9041	-22.2
24	Gujarat	32503	22049	-32.2
25	Daman and Diu	483	270	-44.0
26	Dadra and Nagar Haveli	777	482	-38.0
27	Maharashtra	75910	52154	-31.3
29	Karnataka	34362	24763	-27.9
30	Goa	1788	1012	-43.4
31	Lakshadweep	7	6	-17.7
32	Kerala	7861	5220	-33.6
33	Tamil Nadu	30528	19797	-35.2
34	Puducherry	758	544	-28.2
35	Andaman and Nicobar Islands	151	103	-31.5
36	Telangana	15949	11762	-26.3
37	Andhra Pradesh	11187	8237	-26.4
38	Ladakh		35	-
97	Other Territory	807	617	-23.5
99	Center Jurisdiction	399	629	57.6
	<b>Grand Total</b>	<b>390650</b>	<b>271979</b>	<b>-30.4</b>