

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE

RAJYA SABHA UNSTARRED QUESTION NO. 236
ANSWERED ON – 05/12/2023

State's share in GST collection

236 # Smt. Mahua Maji:

Will the Minister of FINANCE be pleased to state:

(a) the number of installments of the total due amount of the GST collection share as released to the State of Jharkhand for the Financial Year 2022-2023;

(b) whether any amount of GST share payable to the State of Jharkhand for the previous financial year is pending, if so, the details thereof;

(c) the total number of installments of GST payable to the State of Jharkhand released during this financial year; and

(d) whether there is any possibility of the States, especially Jharkhand, getting a higher share in view of the better collection of GST this year and whether the funds will be distributed accordingly?

ANSWER

THE MINISTER OF STATE IN MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a): A total of 14 installments of devolution to the States was released for the FY 2022-23. The details of share of Goods and Services Tax (GST) collection released to the State of Jharkhand, for FY 2022-23, is given below: -

(in Rs. Crores)

Devolution of Central GST	SGST Collection including Regular and Adhoc settlement of IGST
8,873.77	11,489.57

(b) & (c): As per section 18 of the Constitution (One Hundred and First Amendment) Act, 2016, compensation to the States for loss of revenue arising on account of implementation of the goods and services tax is payable for a period of five years. During transition period, the States' revenue is protected at 14% per annum over the base year revenue of 2015-16.

As per the provisions of section 7(2) of Goods and Services Tax (Compensation to States) Act, 2017, enacted by Parliament, the compensation payable to a State shall be provisionally calculated and released at the end of every two months period, and shall be finally calculated for every financial year after the receipt of final revenue figures, as audited by the Comptroller and Auditor General of India. Government of India has already released the entire amount of provisionally admissible GST compensation to all States/UTs including Jharkhand for loss of revenue arising on account of implementation of Goods and Services Tax for five years i.e., from 1st July, 2017 to 30th June, 2022. Final Compensation arising out of reconciliation of provisional figures with audited figures is released immediately on receipt of AG's certificate and no amount is pending for release to the state of Jharkhand. The balance GST compensation for FY 2017-18 to FY 2021-22 of ₹ 165.63 crore has been released to Jharkhand in one instalment during this financial year.

The total amount devolved to the State of Jharkhand is Rs. 31,404.12 crores which is higher than the Budget amount of Rs. 27,006.59 crores for FY 2022-23. Therefore, no amount is pending for further devolution for FY 2022-23.

Further, 8 instalments of devolutions have been released to the State of Jharkhand for FY 2023-24 (till November, 2023).

(d): GST collection has been showing an upward trend year on year basis since implementation of GST w.e.f. 1st July, 2017. GST collection rose to a record high of Rs. 1.87 lakh crore in April, 2023. Further, Monthly GST collection during current financial year has crossed Rs. 1.50 lakh crore mark each time till now. The average gross monthly GST collection in the FY 2023-24 now stands at Rs. 1.66 lakh crore and is 11% per cent more than that in the same period in the previous financial year.

GST collection consists of CGST, SGST and IGST. CGST is credited to Consolidated Fund of India (CFI) while SGST is credited to the Consolidated Fund of respective States. IGST is being levied and collected by the Centre. The IGST (Domestic + Imports) so collected is apportioned / settled between the Union and the States/UTs on monthly basis, on the basis of place of consumption and cross utilization of ITC (Input Tax Credit) as envisaged under Goods and Services Tax Settlement of Funds Rules, 2017. For the amount of IGST remaining un-apportioned, provisional/advance settlement is done from time to time on an ad-hoc basis between Centre and States/UTs in the ratio of 50:50 and among the States on the basis of monthly revenue to be protected during that Financial Year.

Besides, the devolution to the states is done as per the accepted recommendations of Finance Commission during its award period.

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