

State wise GST collections has variation

GST is a consumption based tax and broadly reflects the growth in consumption in the economy. While this tenet is accepted it is interesting to see how states have performed so far on the basis of SGST. The top line number is impressive for the economy with growth of 11.7% which is higher than the 8.7% growth in final consumption witnessed in the first half of the year.

Table 1: Growth in GST collections (Rs cr/% change)

Apr-Dec	2022	2023	Growth	Share
	Rs crore		% in 2023	
GST	13,40,426	14,97,322	11.7	100.0
CGST	2,37,664	2,76,708	16.4	18.5
SGST	3,01,175	3,46,938	15.2	23.2
IGST	7,06,250	7,66,196	8.5	51.2
Cess	95,337	1,07,480	12.7	7.2

Source: Ministry of Finance

Table 1 shows some interesting features of the GST collections during the none-month period April-December 2023.

- The highest share in GST is the IGST which accounts for a little more than half of total collections.
- Share of SGST is higher than CGST and hence states have a big role to play when it comes to contributing to overall GST.
- In terms of growth, IGST has slowed down to 8.5% which is the level of growth in total consumption while SGST has grown at 15.2% and CGST by 16.4%.
- The share of cess is lowest at 7.2% but grew by 12.7%.

Against this background, the collections through SGST can be examined to ascertain any patterns in the levels of consumption across different regions. The top 10 states account for $\frac{3}{4}$ of overall GST collections. Maharashtra has the highest share with 21.2% followed by a distant second by Karnataka with 9.3%, Gujarat 8.4% and Tamil Nadu with 8.2%. UP is fifth with share of 6.8%.

The overall SGST collections increased by 15.2%. Table 2 provides the growth in these collections across the largest 20 states in terms of collections which have share of 96.8% in total.

As can be seen 8 states have driven the overall collections with growth higher than the national average. Maharashtra, Karnataka, Tamil Nadu, UP, Haryana, Telangana, MP and Uttarakhand are the states to register more than 15.2% growth this year. Gujarat, West Bengal, Delhi and Odisha are among the top 10 largest contributors where growth was slower with the former two growing by less than 10%. This is indicative of consumption being uneven across geographies.

Table 2: GST Collections and growth (Rs crore and %) for April-December

State	2022	2023	Change (%)
Maharashtra	2,26,623	2,67,770	18.2
Karnataka	99,499	1,17,546	18.1
<i>Gujarat</i>	<i>96,894</i>	<i>1,06,054</i>	<i>9.5</i>
Tamil Nadu	88,844	1,03,895	16.9
Uttar Pradesh	73,178	85,870	17.3
Haryana	66,644	78,400	17.6
<i>West Bengal</i>	<i>50,352</i>	<i>55,264</i>	<i>9.8</i>
<i>Delhi</i>	<i>44,681</i>	<i>50,617</i>	<i>13.3</i>
Telangana	43,115	50,394	16.9
<i>Odisha</i>	<i>40,413</i>	<i>44,736</i>	<i>10.7</i>
<i>Rajasthan</i>	<i>38,280</i>	<i>42,453</i>	<i>10.9</i>
<i>Andhra Pradesh</i>	<i>33,478</i>	<i>37,675</i>	<i>12.5</i>
Madhya Pradesh	29,444	34,993	18.8
<i>Kerala</i>	<i>24,652</i>	<i>28,279</i>	<i>14.7</i>
<i>Chhattisgarh</i>	<i>25,102</i>	<i>27,752</i>	<i>10.6</i>
<i>Jharkhand</i>	<i>24,691</i>	<i>27,735</i>	<i>12.3</i>
<i>Punjab</i>	<i>18,464</i>	<i>20,748</i>	<i>12.4</i>
<i>Bihar</i>	<i>14,618</i>	<i>16,298</i>	<i>11.5</i>
<i>Uttarakhand</i>	<i>13,599</i>	<i>15,664</i>	<i>15.2</i>
<i>Assam</i>	<i>11,816</i>	<i>13,412</i>	<i>13.5</i>

Source: Ministry of Finance

Table 3: SGST collections for the relatively smaller regions (Rs cr/% growth) April-December

State	GST 2022	GST 2023	Growth
Himachal Pradesh	7,139	8,145	14.1
Jammu and Kashmir	4,755	6,172	29.8
Goa	4,616	5,520	19.6
<i>Daman, Diu</i>	<i>2,971</i>	<i>3,128</i>	<i>5.3</i>
Sikkim	2,258	2,782	23.2
Chandigarh	1,891	2,249	19.0
<i>Puducherry</i>	<i>1,827</i>	<i>2,022</i>	<i>10.7</i>
Meghalaya	1,598	1,863	16.6
Arunachal Pradesh	936	1,253	33.9
Tripura	799	973	21.8
Nagaland	483	655	35.8
Manipur	535	628	17.5
Mizoram	328	490	49.6
Ladakh	287	435	51.3
Andaman and Nicobar	361	418	15.7
Lakshadweep	17	54	223.7

Source: Ministry of Finance

Table 3 provides the collections for the balance regions. Here there is an interesting observation. The majority of the smaller states/UTs have registered robust growth in SGST collections. But they have a total share of just 3.2% in total collections.

Some concluding remarks

The main takeaway here is that there is reason to believe that growth in consumption cross states has not been uniform across regions this year. This may explain why overall consumption in the country has not been growing at a higher pace despite signs of pent up demand being spoken of by several sectors. Large states like Gujarat and West Bengal have yet to pick up pace and any improvement can hence add to the overall consumption as well as tax collections.

Odisha, Rajasthan and Chhattisgarh have registered growth of less than 11% during this period and could have pushed back on the rural side with agriculture not performing as well as was expected.

As consumption evens out in these states, there is reason to be optimistic of even higher collections in the coming months.

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