

## Madhya Pradesh Tops April GST Collection | Madhya Pradesh | 02 May 2024

## Why in News?

Madhya Pradesh has secured the top position among states in India for achieving a 30% increase in **Goods and Services Tax (GST)** collection in April 2024 fiscal year compared to the corresponding period of 2023.

## **Key Points**

- In April, the nation witnessed an 11% increase in GST revenue collection.
- The country achieved a historic milestone with total GST collections reaching Rs 2.10 lakh crore in the initial month of the fiscal year.
- Total number of registered GST payers in the state has increased to more than 5 lakh.

## The Goods and Services Tax (GST)

- It is a value-added tax levied on most goods and services sold for domestic consumption. The GST is paid by consumers, but it is remitted to the government by the businesses selling the goods and services.
- Features of GST:
  - Applicable On Supply Side: GST is applicable on 'supply' of goods or services as against the old concept on the manufacture of goods or on sale of goods or on provision of services.
  - **Destination Based Taxation:** GST is based on the principle of destination-based consumption taxation as against the present principle of origin-based taxation.
  - Dual GST: It is a dual GST with the Centre and the States simultaneously levying tax on a common base. The GST to be levied by the Centre is called Central GST (CGST) and that to be levied by the States is called State GST (SGST).
    - Import of goods or services would be treated as inter-state supplies and would be subject to Integrated Goods & Services Tax (IGST) in addition to the applicable customs duties.
  - **GST Rates to be Mutually Decided:** CGST, SGST & IGST are levied at rates to be mutually agreed upon by the Centre and the States. The rates are notified on the recommendation of the GST Council.
  - Multiple Rates: Initially GST was levied at four rates viz. 5%, 12%, 16% and 28%. The schedule or list of items that would fall under these multiple slabs are worked out by the GST council.

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