



# Emerging Issues in Goods and Services Tax Structure and Contributing Role of Various Taxes Under GST in Surge of Tax Collection in GST Regime in India

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## ARTICLE INFO    ABSTRACT

GST, a gambit tax reformation in the history of the nation assured a flawless, stringent and at ease regulation. The GST was implemented to create more transparent, unified, and efficient taxation system. The introduction of GST aimed to eliminate cascading effect of taxes and create a "One Tax, One Nation, One Market" system, simplifying the taxation landscape across the nation. Ethical concerns surrounding tax evasion and tax avoidance have posed serious challenges to the GST structure. This research paper explores these ethical issues along with other emerging issues within the GST regime.

The ethical dilemmas of tax evasion and avoidance have become increasingly pervasive under the GST framework, with some taxpayers seeking to exploit loopholes and engage in questionable practices to reduce their tax liabilities. This paper analyses the nature and consequences of these ethical concerns, emphasizing the impact on government revenue collection and fair taxation. As per the report of **GST council, in first quarter of the FY 2022-23 the average gross GST collection was ₹1.51 lakh crore however in previous financial year it was ₹1.10 lakh crore. GST council has mentioned 37% increase in the GST collection.** Revenue of September 2022 is 26% higher than comparison of same month in previous year. After subsuming there are three main taxes CGST, SGST and IGST. this paper delves into the distinctive functions of CGST, SGST, and IGST within the GST system and their roles in curbing unethical tax practices. These components are crucial in ensuring that taxes are collected appropriately and equitably, thereby reducing the scope for tax evasion and avoidance. This research paper underscores the critical importance of addressing ethical issues within the GST structure and highlights the pivotal roles of CGST, SGST, and IGST in mitigating tax evasion and avoidance to ensure the success of the GST system as a model for ethical taxation and revenue enhancement

**Keywords:** GST, Ethical Issues, Regulatory Framework, Multiple regression

## 1. Introduction

Tax evasion is related with shunning legal obligation of payment of tax and is declared as an illegal act. It involves various illicit means to eluding this responsibility. It is a conscious attempt to falsify or deliberately hiding the true picture of tax liabilities in order to lessen or eschewing the tax obligation by filling flawed tax returns, erroneous financial statements, using forged documents to claim exoneration or not reporting income. Tax evasion leads to disruption in the growth of economic development, lessen revenue which rises inflation. It gives boost to immoral activity, corruption, black money, economic disparity and poor standard of living. Government adopts various measures like reduction in tax rates, Simplified tax rules, Autonomous Tax Administration Structure to overcome this challenge. Assessing officer impose penalties in case of tax evasion as per the provision. Tax avoidance means lowering down the tax liability by keeping oneself within the legal boundaries. Tax payers takes advantage of inadequacy in regulatory framework to reduce the tax liability. It is

a method to reduce the amount of tax without giving a miss to any legal provision. As there is no avoidance of any tax provision so no penalties will be imposed by tax authorities.

GST, an astounding step taken by government, implemented on 1<sup>st</sup> July 2017, an indirect tax levy on supply of goods and services in order to repel tax evasion in the indirect tax structure. Numerous taxes were the part of earlier tax regime which provides comprehensive price of goods. GST ensures unified tax structure by encompassing of all previously existed tax. It also ensures a very attractive and unique feature i.e. input tax credit, supplier will get the refund of tax previously paid at the time of purchase of inputs, it will avoid double taxation and will ensure reduced cost of production. GST was introduced to curb the illegal and unethical practices but this system too is facing abstraction to lessen tax evasion and tax avoidance. Various tax evasion practices still observed such as evasion through multiple registration of single unit, bills manipulation, selling branded goods as non-branded goods to avoid tax, under reporting of sales, fake invoices, evasion through e way bill and wrong calculation of GST liability. This research paper analyses strategies adopted to evade taxation in GST regime. This research also highlights alleviation measures of tax evasion adopted, in order to curb illegal or unethical practices which can ensure the achievement of purpose of implementation of GST and ensure the revolution which was expected with the enactment of GST

### Need for the study

According to Ministry of Finance GST collection is increasing 56% year-on-year, there is a need to understand the role of strict tax compliance in the surge of GST collection. Before GST multiple taxes were prevailed and registered their contribution after GST due to subsumption three main taxes exist, this will be interesting to know the contribution and role of these taxes in GST revenue

### Objectives:

- a-This paper explains prevalent tax evasion strategies
- b-To analyse loopholes in GST regulatory framework
- c-To find out ways for discouraging tax evasion
- d-To investigate among CGST, SGST and IGST which levy has most significant impact on GST revenue

**Scope of work-** This study will investigate various ethical issues in the GST regime and the role of CGST, SGST and IGST in GST Revenue. For this purpose, secondary data has been extracted from the Central board of indirect Tax and Custom([cbic-gst.gov.in](http://cbic-gst.gov.in))

### Research Methodology

The research methodology contains two stages.

The primary stage included a literature search. This literature review was conducted with the help of journals and reports from government and government agencies.

Secondary stage-**A multiple regression analysis is done through using SPSS** for which secondary data is extracted from the CBIC website

## 2.Literature Review

### 2.1 Unethical Practices

#### 2.2 GST Council Steps Regarding Unethical Strategies

#### 2.3 Court Intervention to Curb Unethical Practices

### 2.1 Unethical Practices

#### 2.1.a AI Role in Tax Evasion: A Double-Edged Sword (Smith and Wesson (2023))

AI is playing crucial role in tax evasion in this automated work-based Era. Author discusses the practise of AI in tax evasion, it possesses challenge for GST regulatory authority.AI is a source of help for automated fraudulent transactions, It also challenge auditing as auditing method is still traditional.

#### 2.1.b Ethical Implications of AI in Financial Decision – Making: A Review with Real World Applications(Oluwatobi.et al (2024))

This paper drawing the attention on various unethical behaviour which are encouraged by AI in financial system such as Algorithmic bias, systematic risk and tax evasion. This paper advocates aligning the AI technologies with social and ethical value. This paper also focus on the need of ethical guidelines incorporating with AI to ensure the advance financial services along with ethical values to avoid complexities and chaos in future.

#### 2.1.c Issues and Legal Aspects of Goods and Service Tax (Dr. Varsha Tiwari, 2019)

This paper points out that various ethical questions arise with the introduction of GST. which must be dealt consciously and briefly answered by GST Act. These ethical issues may create confusion among taxpayers and can play a role of hindrance in the success of implementation of GST. This paper also points out that when any revolutionary step is taken by government for the development of economy the legal aspect of that concept must be studied thoroughly, this paper explains all legal aspects of GST to get the clear picture.

### **2.1.d. Tax Evasion in GST Regime and Measures to Alleviating the Tax Evasion (Diksha,2020)**

This paper informs that GST was implemented to overcome various shortcomings of previous tax structure and claim elimination of cascading effect, removal of complexity of multiple taxation. It was expected from the GST that tax evasion will also be eliminated from the economy. On the contrary this paper discusses various observed tax evasion strategies in the GST regime. Loopholes in the regulatory frame work of GST is contribution in envisioning the tax. This paper further suggests some alienating measure to discourage the tax evasion

### **2.1.e Lags in Regulatory Framework of GST Dealing with Frauds and their Remedial Measures (Rahul Kumar, 2020)**

This paper talks about bad effects of tax evasion. It effects government income and create a negative environment in business. As increasing evasion practices corrupt the fair environment and encourage more daring steps towards manipulation of law. It is the duty of the administrator to find out the loopholes in regulatory framework of GST. It is also the responsibility of the tax authority to find out the tax evasion activities, its reason and should take corrective measures in order to prevent it. This report also emphasis to develop various tools to detect wrong practices regarding tax evasion. This report also points out various area of improvement such as PAN and GST registration sync, reconciliation of credits, e-way bill generation. As tax evasion practise exist in the system, rapid detection measure should be developed to find out the fraud. Tax administration should be prompt enough to find fraud. This study further focuses on various strategies adopted to evade GST payment. This research paper gives new avenues to develop new strategies to deal with GST evasion strategies revenue

## **2.2 GST Council Steps Regarding Unethical Strategies**

### **2.2.a Annual Report on Goods and Services Tax Network, GST Council (Rakesh et al.)**

GST council is vigilant enough regarding tax evasion and other manipulated practices. Council has taken various measures to avoid these incidences authorities have stricter compliance and also using AI to monitor tax filing's network and e-invoicing is helping in the detection of fake invoices and other unethical practices.

### **2.2.b Role of Artificial Intelligence in Input Tax Credit Reconciliation (Rakesh et al 2023)**

This paper has optimistic approach regarding AI intervention in Tax system. It throws the light on positive side of AI in tax system and analyse that AI is supporting in observing the unethical practises and helps in preventing the same. It is helping in detection of tax evasion and fraud. It is making system more accurate and it is also ensuring more transparency.

### **2.2.c GST Council steps to curb tax evasion**

Apex body of GST, GST council are making effort to curb the GST evasion. An analysis is done on various measures to deal with that problem. GST council has undertaken rate revision. Misuse of input tax credit facility is also observed, and strict actions has also been taken to closely observe these practices to put check on these fraudulent activities. Council is also emphasising to check the authenticity of invoices. New firms' registration can also be taken as a cover strategy to get the wrong benefit of input tax credit which is also under the scrutiny of tax authority.

### **2.2.d. Prevention of GST Evasion practices**

As per report published on mint, in order to mobilize revenue to manage spiralling deficits government are expected to consider various measures to curb tax evasion practices from system. Physical verification of business, bank account validation for refunds should also be considered in order to avoid frauds. For getting the advantage of developed technology GST counsel are also expected to develop a system to capture location details of supply of goods and business as well.

### **2.2.d.GST Council steps to tighten rules to curb tax evasion and avoidance of Unethical Practices**

Low GST collection has drawn the attention of tax authority to check the reason behind low collection. It develops doubts towards tax evasion and unethical practise. Council has found out some solution such as e-invoicing, geo tagging, e way bill to ensure the transparency of system. As per the constitutional provision, the central government is responsible to compensate shortfall of revenue, this obligation is also drawing the attention of central government towards low collection of GST revenue and measures to increase it by curbing tax exclusion

### **2.2.e. GST counsel SOP for dealing fake invoices**

Fake invoice is a common practise for evasion of . These fake invoices are also used for defrauding other authorities such as for money laundering, availing undue input tax credit, converting excess ITC into cash, transfer of ITC to those who can utilize it. GST counsel has issued SOP for such purpose. By observing illegal and unethical practise at such a large extent government is taking important measure to solve this problem.

These measures are check the authenticity of registered tax payers, pay more attention to more prone tax evasion sector, to observe figures in order to check offensive database to find out the manipulation.

### **2.3 Court Intervention to Curb emerging issues and unethical practices**

#### **2.3.a GST frauds on rise: GST Council to take urgent measures to curb fraudulent tax practices**

With the increase in GST fraud, government is also increasing its effort to curb fraudulent activities form system. From the date of implementation of GST, **the amount of GST frauds was estimated to be Rs 45,682 crore. while an amount to the tune of Rs 6,520.40 crore has been disclosed in the April-June period of fiscal year 2020.**With in the duration of two years of GST implementation, a total of 9,385 cases of tax frauds were reported. It was asked form Finance minister to setup task force to detect tax evasion cases and take important measure as well as perform recovery steps.

#### **2.3.b GST notice of Rs,21,000 crore on Games kraft technology**

GST evasion notice of 21000 crores has been served to Games kraft technology for evasion of GST on the betting amount. This platform was using back date invoices for GST evasion. Tax was levied 28% on betting amount. It is observed that company was not providing any invoices to customers for the amount of betting. GST evasion issue were doubted specially on this kind of online gaming. Now tax authority is paying right attention and taking strict steps to discourage evasion

#### **2.3.c. Court intervention to avoid unethical practices**

A bench of supreme court has taken an important step and given a verdict not to put accused in jail however opposition on opposing the plea stated that the amount of fraud is large which is 21 crore and it is the revenue which belong to the nation. But supreme court believe that everybody cannot remain in jail till the final solution.it is major intervention by the highest court of the country which is remarkable and has its own pros and cons on tax evasion activity

#### **2.3.d. Taxmen can launch prosecution in cases of over Rs 5 crore GST evasion**

As per the new guidelines given by GST council, tax authority has right to take step of prosecution against those offenders who are expected to involve in tax evasion case involving more than Rs.5 crore amount. However, GST council is taken into consideration how much adequacy of evidence is required for such prosecution. if arrest is being done during the phase of investigation, then to file prosecution complaint in the court within in the 60 days of arrest

#### **2.3.e. Court intervention regarding summon and arrest in case of gst evasion and unethical practices regarding tax**

various case filed in order to remove the situation of arrest in case of GST evasion but court has cleared its stand on it. It is clearly stated by the court that in case of tax evasion the tax authority will have full right to summoned the alleged person and that person can be arrested for the same.

### **3. Illegal practices in GST Regime**

GST was introduced to avoid shortcoming of previous regime and to avoid various unethical and fraudulent practices however various wrong practices and unethical issues still persist. Various unethical strategies are discussed which are adopted by tax payers in this regime.

#### **Legal Reforms and Role of Judiciary in GST: Gupta and Sharma (2023)**

Supreme Court has given an evident ruling to discourage tax evasion and forgery. Court has suggested for more strict punishment and heavy penalties in order to prevent unethical practices. This paper examines the significant role of judiciary in order to discourage unethical practices and strengthening the system and ensuring the transparency.

#### **3.a. Wrong practices of separate registration of single entity**

There is a threshold limit in GST, if the turnover of the firm crosses that limit then business men is liable to pay GST. Those tax payers who want to avoid that obligation are registering its single entity as two or more legal entity, may be with the name of spouse and friends. If there will be more than two entities than amount of turnover will be distributed among more than two entities and firm will not cross the threshold limit and tax obligation will not be applied.

#### **3.b. Issues to quote wrong sales figure**

For the purpose of evasion of tax, business men are reporting wrong sales figure as low sales figure will constitute less annual turnover that will save entity form going beyond the threshold limit, it will ultimately save the entity to oblige the charge of taxation. Wrong or under reporting of sale amount can be easily reported at retail level as at the retail level goods are sold to customer and customer do not claim for any input tax credit so sales figure manipulation can be done at this level

### 3.c. Evading tax through forged invoices

Fake invoices mean when an invoice is prepared, issued and presented for the supply of goods and services without actual supply. It can be seen fake invoices are issued normally for the goods and services supplied to retailer customer, as it is a safer area where there is a last chance of detection of this act because of no claim of tax credit. Due to technical constraint, invoice wise checking was not feasible in GST. This constrain has given taxpayer a way to evade tax through fake invoices

### 3.d. Issues related to construction expense

In previous tax regime VAT and Excise duty both form the cost of the company as there was no provision of input tax credit. In GST regime input tax credit concept is not permissible for construction of an immovable property and there is not limit of capitalization of these expenses, so tax payers are not capitalizing the amount in their books but claiming the GST as input tax credit

### 3.e. Evasion of tax through E-Way Bill

E-way bill is a tool to ensure that the goods transported comply with the GST law. It is a mechanism which perform tracking of goods and ensure the absence of tax evasion. Motorized vehicle only comes under the preview of E-Way bill. In order to avoid E-Way bill and tracking traders are using manual carts, bullock carts and trains tracking. Goods transported through roads transport could be available for checking but there is no tracking and checking in case of train. This is encouraging the traders to adopt various other medium rather than motor vehicle es to evade tax.

### 3.f. Wrong practices through Bills

In order to maintain the turnover within the minimum exemption limit of GST. Traders are making an effort to prepare bills of single supplied item as two separate supplied items. This manipulation of bill will keep the turnover of business with in the limit of exempted turnover and traders are not required to pay tax.

### 3.g. Unethical practices through Branded or Non branded goods

As per the provision of GST tax rate on non-branded goods is 0% and on branded goods is 5%. taking the advantage of this difference traders are making effort to evade tax. They are selling the goods as non-branded as it will reduce the tax percentage up to 0%

### 3.h. Wrong practices through personnel and business expenditure

Tax payers are also using personal expenses in genuinely and getting the advantage of input tax credit on the basis of these expenses. It is the responsibility of tax administrator to watch these matter consciously in order to avoid the accounting of these bogus expenses.

### 3.i. Unethical practices by the way of calculation of liability of GST

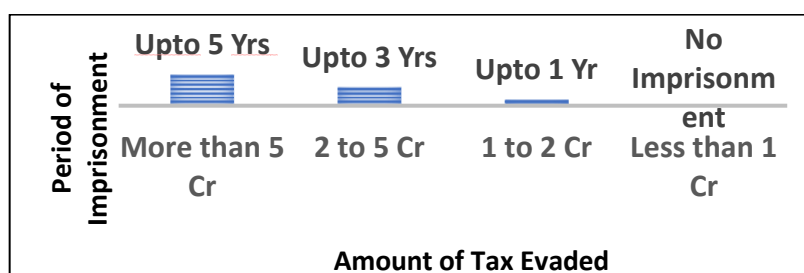
As GST is a new concept, each tax payer has not completed knowledge or masses has his own confusion and doubts. This lack of knowledge is a main reason of wrong calculation of GST. This is also an advantageous spot for those who willingly apply wrong tax rate or perform wrong calculation of tax amount to get the advantage of this confusing and chaotic environment regarding GST.

### 4.j. Unethical practices through inadequate record keeping

Small tax payers have finance constraint so they do not much invest in maintaining accounts and hire a proper accountant. These traders get the advantage of improper or inadequate accounting data as a shield and no proper proof could be find out in case of manipulation of data in these accounts

## 5. Imprisonment for Offences under GST

Following graph depict the offence under GST which charge for imprisonment. Tax evasion involve less than 1 crore involve no imprisonment. If tax evasion amount is between 1 to 2 cr then imprisonment duration will be up to 1 year to 3 years imprisonment will be charged if GST fraud amount is 2 to 5 Cr. If the amount of tax evasion is more than 5 crores then term of imprisonment will be up to 5 years.

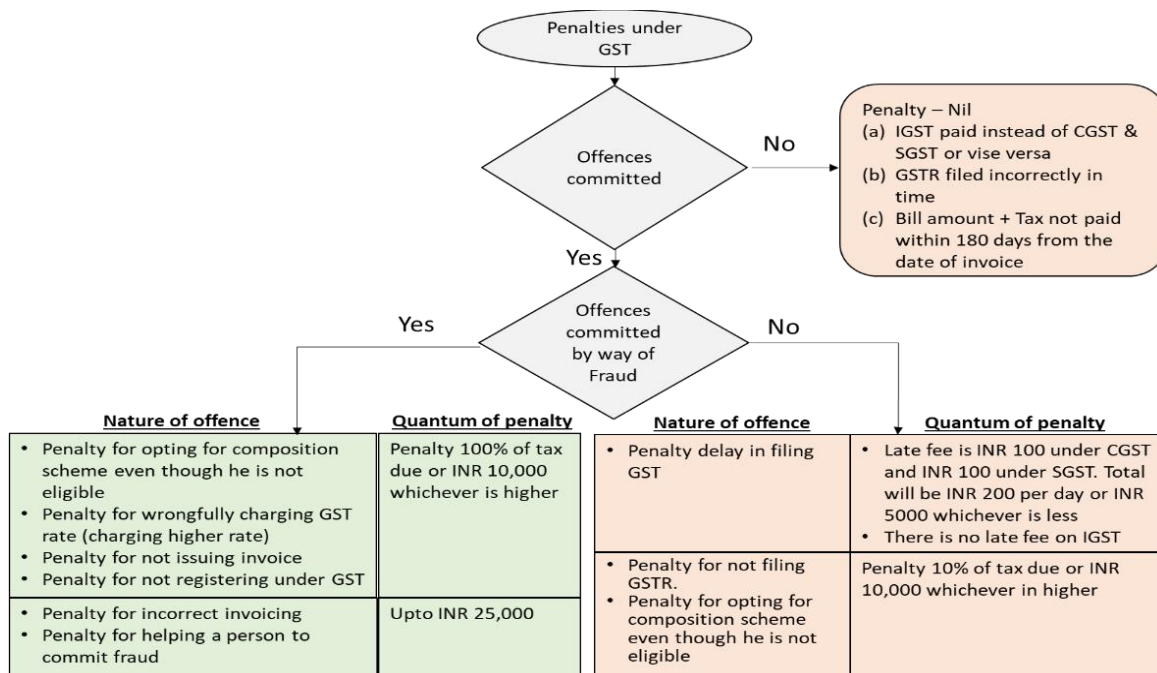


Source-Indiafiling.com

Exhibit.1- Year of imprisonment for Offences under GST7.Penalties

In case of payment of IGST at the place of CGST , GSTR filed incorrectly or tax not paid within 180 days from the date of invoice then no penalty will be charged. If offence committed by way of fraud, then quantum of penalty depends upon the nature of offence. This amount of penalty differs accordingly

**7. Penalties under GST**



Source-caknowledge.com

**Exhibit.2-** Panalties in case of noncompliance of GST

**8. The relation between the rise in GST collection through Central GST (CGST), State GST (SGST), and Integrated GST (IGST) and the reduction of tax evasion, tax avoidance, and unethical practices can be observed through several factors and mechanisms:**

**Enhanced Transparency:** The GST system has significantly improved transparency in the tax collection process. With the requirement for electronic filing, real-time invoice matching, and digital record-keeping, it has become much harder for taxpayers to conceal income and engage in tax evasion or avoidance. As a result, the authorities have a better overview of transactions and can identify discrepancies more easily.

**Input Tax Credit (ITC) Mechanism:** The GST system allows businesses to claim ITC for taxes paid on inputs and services. However, this benefit is contingent on compliance with tax regulations. This has acted as a strong deterrent against tax evasion, as businesses need to ensure proper documentation and reporting to claim ITC. Failure to do so can result in financial losses, thereby reducing the incentive for unethical tax practices.

**Reduced Cash Transactions:** GST encourages digital transactions and discourages cash payments by mandating electronic invoicing and online payment of taxes. This shift away from cash transactions makes it more difficult for businesses to engage in underreporting or unreported sales, which are common forms of tax evasion.

**Improved Audit Trails:** The GST framework creates detailed audit trails, making it easier for tax authorities to track transactions and identify irregularities. This added transparency in transactions discourages businesses from engaging in unethical practices.

**Stricter Enforcement and Penalties:** The GST regime has introduced stricter enforcement measures and penalties for non-compliance. Businesses found guilty of tax evasion or avoidance can face heavy fines and legal consequences. This increased risk acts as a deterrent to unethical practices.

**Unified and Simplified Tax Structure:** The GST system replaced a myriad of indirect taxes, reducing the complexity of the taxation regime. This simplification minimizes opportunities for manipulation, as taxpayers have a clearer understanding of their tax obligations.

**8.a GST council report on reason of increase in GST collection**

GST council has declared that anti evasion steps taken by government and detection of fake bills and strict action against are the main reason of surge in GST collection. The gross cess collection in the month of September is the highest since introduction of GST.

### 8.b Statistical report by Ministry of Finance on completion of 5 year of GST

On the completion of 5 year of GST a report issued by Ministry of Finance that “the latest data indicates that tax collections went up by 56% year-on-year to touch `1.44 lakh crore in June, the second-highest since April 2022.

#### Multiple Regression Using SPSS

Multiple regression analysis is a suitable statistical method to examine the contributing roles of Central GST (CGST), State GST (SGST), and Integrated GST (IGST) in the increase of GST revenue. Multiple regression is appropriate due to following considerations:

Multiple regression allows to analyses the relationships between multiple independent variables (in this case, CGST, SGST, and IGST) and a dependent variable (GST revenue). Since these tax components can have distinct impacts on GST revenue, multiple regression enables to assess their combined effects.

Multiple regression is typically used when dealing with quantitative variables. CGST, SGST, and IGST are numeric variables representing tax collections, making them suitable for this analysis. Multiple regression assumes a linear relationship between the independent variables and the dependent variable.

It is essential that the independent variables (CGST, SGST, IGST) are not strongly correlated with each other (multicollinearity), as this can make it challenging to interpret their individual contributions. It assess the correlation among these variables.

Multiple regression assumes that the residuals (the differences between observed and predicted values) follow a normal distribution. This assumption can be assessed through residual analysis. Homoscedasticity assumption implies that the variance of the residuals is constant across all levels of the independent variables. This can examine this through residual plots. Significance in multiple regression can help assess the significance of each independent variable's contribution to the dependent variable.

### 9. Problem Statement

Problem statement is to investigate among CGST, SGST and IGST which has most significant impact on GST revenue.

#### Hypothesis

H1: CGST has most significant impact on GST Revenue

H0: CGST has not most significant impact in GST Revenue

H2: SGST has most significant impact on GST Revenue

H0: SGST has not most significant impact in GST Revenue

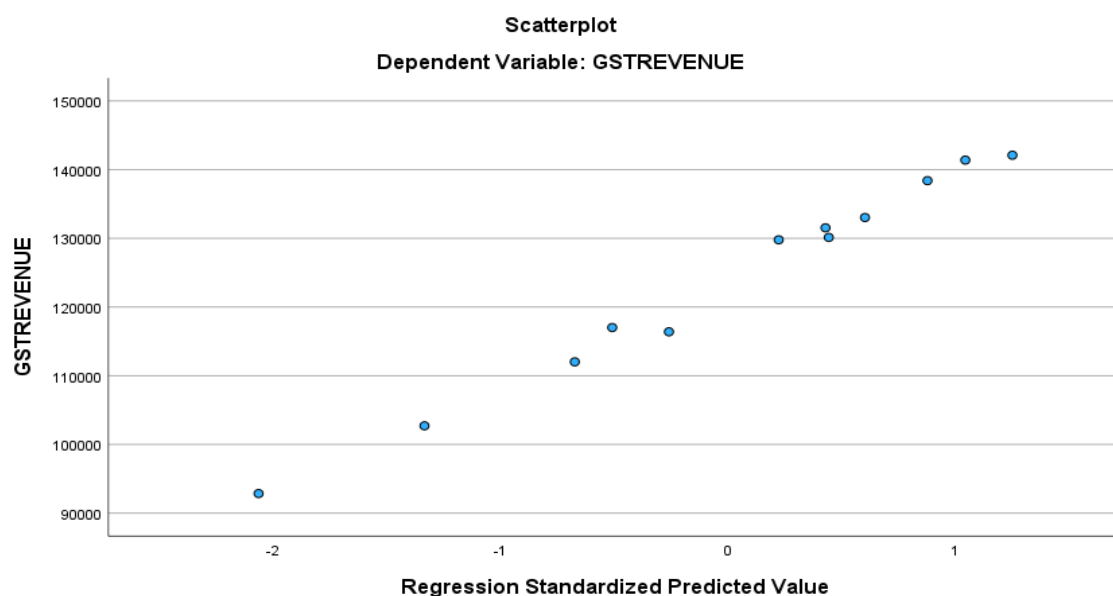
H3: IGST has most significant impact on GST Revenue

H0: IGST has not most significant impact in GST Revenue

Assumptions of the Multi Regression Analysis Satisfied to determine whether CGST, SGST, and IGST have a statistically significant impact on GST revenue.

-Linearity, homoscedasticity and multicollinearity of data exist.

Through scattered plot it can be observed that independent variables are linearly related to dependent variable



-Durbin Watson Test

Durbin Watson Test result shows test value is 1.79 which is between (standard value of 1.5 to 2., so error term is independent

### Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.995 <sup>a</sup>	.990	.986	1850.670	1.793

a. Predictors: (Constant), IGST, CGST, SGST

b. Dependent Variable: GSTREVENUE

### Interpretation

1-Variable entered is CGST, SGST, IGST and dependent variable is GST Revenue

### Variables Entered/Removed<sup>a</sup>

Model	Variables Entered	Variables Removed	Method
1	IGST, CGST, SGST <sup>b</sup>	.	Enter

a. Dependent Variable: GSTREVENUE

b. All requested variables entered.

### Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.995 <sup>a</sup>	.990	.986	1850.670

a. Predictors: (Constant), IGST, CGST, SGST

b. Dependent Variable: GSTREVENUE

2-Research model is significant as level of significance is less than .001. So there is a significant impact of CGST, SGST, IGST on GST Revenue

### H3: IGST has most significant impact on GST Revenue

The hypothesis test if IGST has most significant impact or contribution in GST revenue. The dependent variable GST revenue regressed on predicting variable IGST, to test the hypothesis H1, F (262.033), p < .002, as significance value is less than .05 so IGST has significant impact on GST revenue but CGST significance level is p < .001 so comparatively CGST has most significant level so H3 is rejected and IGST has not most significant impact or contribution in GST revenue

Hypothesis	Regression weights	Beta Coefficient	R <sup>2</sup>	F	T value	p value	Hypothesis supported
H1	CGST-GST REVENUE	.218	.990	262.033	18.095	<.001	YES
H2	SGST-GST REVENUE	.373	.990	262.033	-3.404	<.009	NO
H3	IGST-GST REVENUE	.214	.990	262.033	4.462	<.002	NO



### Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	18910.239	4396.922		4.301	.003
	CGST	3.943	.218	.834	18.095	<.001
	SGST	-1.269	.373	-.559	-3.404	.009
	IGST	.953	.214	.749	4.462	.002

a. Dependent Variable: GSTREVENUE

### 10. Findings

**1-**Most of the tax payer are adopting unethical practices i.e either to pay less tax or avoid tax due to complexity of procedure, dis satisfaction either with tax percentage or with the usage of tax amount by government.

**2-**Tax evasion practices are undertaken by various fake invoice, mis categorization of goods, undervaluation of goods, over claim input tax credit. Tax evasion activities not only effect the growth of economy and corrupt the business environment but also encourage various other wrong activities in the economy.

**3-**Tax authorities endeavour strongly to build a vigorous system to impose tax compliance. With the rapid growth of data and emerging reporting, the requirement of mechanism to expose, alleviate and deal tax shunning is compelling.

**4-** For curbing the tax evasion government are taking numerous steps of integration of GST registration with PAN, invoice level reporting and comparison, reconciliation of credits, computer-based generation of e-way bills etc.

**5-**As a alleviating measure and to make the GST implementation more effective and its compliance at large scale some improvement is required such as to make GSTN more efficient, proper categorization of goods as sometimes same goods falls more than two tax slabs, more programme, ratings, recognition and concession scheme for dealer and retailers to motivate fair practices regarding GST payment, Linking of GST database with income tax, customs and banking network to undertake proper analysis of the complete profile of tax payers, association with private sector has expertise in fraud analytics etc.

**6-**Standardized technological tax system can be a proper alleviating measure and can help to achieve the goal of accurate detection of tax evasion and make tax compliance simple for business and tax authorities.

**7-**Technology should be integrated with legislative measures to make tax laws easy including justifiable tax rates, make taxpayers aware and to alleviate tax evasion. Tax evasion would ultimately benefit not only the country but business environment also

**8-**As GST has subsumed multiple tax, all the three currently existed tax CGST, SGST and IGST is contributing well in the GST revenue. Earlier number of taxes was more but the tax revenue was less comparatively. Every tax has its own significance in the contribution of GST revenue but CGST has the most significant contribution in GST revenue.

### 11. Limitations of the study

There are various other factors which effect the GST surge such as inflation and surge in imports which are not taken into consideration.

### Conclusion

Tax is a major source of government revenue and play a prominent role in the economy so the government always pay attention on this activity related and GST implementation is the proof. A major problem faces by government is tax evasion and government try to put all effort to curb tax evasion from the economy in order to increase revenue. GST is the crucial step in this regard. Government and tax authority is encountering well various measures adopted by tax payer in order to evade tax. In summary, **the reduced scope for tax evasion and avoidance due to the enhanced transparency, stricter enforcement, and the shift toward digital transactions are key factors contributing to the increase in tax collection revenue under the GST regime.** While other economic factors and changes in tax rates can also impact tax revenue, the reduction of tax evasion and avoidance remains a central goal and benefit of GST implementation. Strict laws and its compliance under GST regime are contributing well in discouraging the evasion activities and is a major factor of GST revenue surge. Along with those three taxes (CGST, SGST, IGST) imposed are significantly impacting the GST revenue

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