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A Trend Analysis of GST Revenue Collections in India

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Abstract

The Goods and Services Tax (GST), introduced in India on July 1, 2017, represents a landmark reform in the country's indirect taxation system by subsuming multiple central and state taxes into a unified structure. The GST collections have exhibited a consistent upward trend over the years, reflecting improvements in tax compliance, expansion of the taxpayer base and increased economic activity. The initial years of implementation showed moderate growth due to transitional challenges, including technical glitches and compliance issues. However, a significant disruption occurred during 2020-21 due to the COVID-19 pandemic, which led to a temporary decline in collections. Despite this setback, GST revenues demonstrated a strong recovery from 2021-22 onwards, supported by policy reforms, digitalization measures such as e-invoicing, and enhanced enforcement mechanisms. This study presents a trend analysis of GST collections in India over the period from 2017-18 to 2025-26, aiming to evaluate its performance, growth trajectory and underlying determinants. The analysis is based on secondary data collected from official government sources, economic surveys and financial reports, using simple statistical tools such as trend percentages and year-wise comparisons. This research article tries to understand trends of GST state-wise analysis in India.

Keywords: GST, Indirect Tax, Revenue collections, Trend Analysis and India.

Introduction

The Goods and Services Tax (GST) on July 1, 2017, marked a historic change in India's indirect taxation system. By subsuming a wide range of central and state taxes such as excise duty, service tax, value added tax and others, GST created a unified and comprehensive tax structure across the country. It was designed with the objective of

promoting One Nation, one Tax, one Market and thereby reducing tax cascading, improving compliance and enhancing revenue efficiency. Since its implementation, GST has become a crucial component of India's fiscal framework and an important indicator of economic performance. Trend analysis of GST collections is essential to understand the growth pattern, stability, and efficiency of the tax system over time. It provides valuable insights into revenue generation, economic activity, and the effectiveness of tax administration. While national-level GST collection data reflects the overall performance of the system, a state-wise analysis offers a deeper understanding of regional variations, disparities, and economic dynamics across different states. India, being a diverse country with varying levels of industrialization, urbanization, and economic development, exhibits significant differences in GST revenue contributions among states.

State-wise GST collection analysis helps in identifying high-performing and low-performing states in terms of revenue generation. Industrially advanced states such as Maharashtra, Gujarat, Tamil Nadu, and Karnataka generally contribute a larger share to total GST revenue due to their strong manufacturing and service sectors. On the other hand, less developed or agrarian states tend to generate relatively lower GST revenues. Such variations are influenced by factors like economic structure, consumption patterns and level of compliance, administrative efficiency and digital infrastructure. A trend analysis of GST collections from a state-wise perspective provides a comprehensive understanding of the performance and impact of GST in India. It not only reflects the economic health of individual states but also highlights the progress of the nation towards a more integrated and efficient tax system. Such an analysis is vital for ensuring sustainable revenue growth, balanced regional development, and effective fiscal management in the long run.

Review of literature

Jain and Singh (2026) corroborated the existence of a long-term co integrating relationship between GST revenues and economic growth. However, these national-level findings mask significant sub-national variations.

Garg, Mittal and Garg (2025), using Auto Regressive Distributed Lag modeling on data from August 2017 to March 2024, found a positive impact of GST revenue on India's economic growth in both the short and long run.

Dey (2025) found that while GST had a delayed positive effect on revenue growth, tax buoyancy coefficients remained well below unity, implying that tax revenue has not been sufficiently responsive to GDP growth.

Haldankar and Patkar (2024) provided a regional perspective, noting an upward trend in GST revenue across all regions, particularly the Western region, but also pointed out

that certain states and Union Territories were underperforming relative to their population size. This literature collectively highlights a critical gap: the need for a dynamic, comparative analysis of state-level trends, especially in the context of the recent GST 2.0 rationalization.

Objectives of the Study

To analyze the trend of GST revenue collections in India from 2017-2026

To examine state-wise GST revenue growth patterns

Research Methodology

The present study is based on secondary data only. The secondary data collected from Central government reports, Economic surveys, Press Information Bureau, Ministry of Finance. Simple statistical tools such as percentages, growth and trend analysis are used to interpret the secondary data.

RESULTS AND DISCUSSION

Trends in GST Collections in India

The Goods and Services Tax collections in India from 2017-18 to 2025-26 along with their growth trend. It clearly shows the performance and trend of GST revenue over time presented in the table 1.

Table 1

Year-wise GST Collections in India since 2017 to 2026

S.No	Financial Year	GST Collection (Rs.Lakh Crore)	Growth Trend (%)
1	2017-18	7.41	-
2	2018-19	11.77	58.9%
3	2019-20	12.34	4.8%
4	2020-21	11.37	-7.8%
5	2021-22	14.82	30.3%
6	2022-23	18.10	22.1%
7	2023-24	20.18	11.5%
8	2024-25	21.60	7.0%
9	2025-26	22.10	2.3%

Source: Ministry of Finance, GST Revenue collection Press Release, GOI

The table 1 presents that the initial year (2017-18), GST collections were ₹7.41 lakh crore. This represents the starting phase of GST implementation, so no growth rate is provided. In the following year, 2018-19, collections increased significantly to ₹11.77

lakh crore, showing a very high growth rate of 58.9 per cent, which reflects system stabilization, increased compliance and expansion of the taxpayer base. During 2019-20, GST collections rose slightly to ₹12.34 lakh crore, but the growth rate slowed down to 4.8 per cent, indicating a phase of moderate growth and economic slowdown. In 2020-21, collections declined to ₹11.37 lakh crore, with a negative growth rate of -7.8 per cent. This drop is mainly due to the impact of the COVID-19 pandemic, which reduced economic activity, production and consumption. However, in 2021-22, GST collections recovered strongly to ₹14.82 lakh crore, showing a high growth rate of 30.3 per cent. This recovery reflects the revival of economic activities after the pandemic and improved tax compliance. The upward trend continued in 2022-23, where collections increased to ₹18.10 lakh crore with a growth rate of 22.1 per cent, indicating strong economic performance and effective GST administration. In 2023-24, collections further increased to ₹20.18 lakh crore, although the growth rate moderated to 11.5 per cent, suggesting a stable but slower expansion. Similarly, in 2024-25, collections reached ₹21.60 lakh crore with a growth rate of 7.0 per cent, showing continued but gradual growth. Finally, in 2025-26, GST collections peaked at ₹22.10 lakh crore, but the growth rate declined further to 2.3 per cent, indicating a phase of stabilization where growth continues at a slower pace.

State wise growth of GST

State-wise growth of GST Revenue during October 2025 presents a comparative analysis of GST collections across various States/UTs in India between October 2024 and October 2025, along with the percentage growth presented in the table 2.

Table 2

State-wise growth of GST Revenue during October – 2025

State/UT	Oct-24	Oct-25	Growth (%)
Jammu & Kashmir	608	551	-9%
Himachal Pradesh	867	722	-17%
Punjab	2,211	2,311	4%
Chandigarh	243	233	-4%
Uttarakhand	1,834	1,604	-13%
Haryana	10,045	10,057	0%
Delhi	8,660	8,538	-1%
Rajasthan	4,469	4,330	-35
Uttar Pradesh	9,602	9,806	2%
Bihar	1,604	1,652	3%

Sikkim	333	308	-8%
Arunachal Pradesh	58	84	44%
Nagaland	45	66	46%
Manipur	67	65	-3%
Mizoram	41	40	-3%
Tripura	105	99	-6%
Meghalaya	164	161	-2%
Assam	1,478	1,440	-3%
West Bengal	5,597	5,556	-1%
Jharkhand	2,974	2,518	-15%
Odisha	4,592	4,824	5%
Chhattisgarh	2,656	2,598	-2%
Madhya Pradesh	3,649	3,449	-5%
Gujarat	11,407	12,113	6%
Dadra&Nagar Haveli &Daman&Diu	369	405	10%
Maharashtra	31,030	32,025	3%
Karnataka	13,081	14,395	10%
Goa	559	545	-3%
Lakshadweep	1	2	39%
Kerala	2,896	2,833	-2%
Tamil Nadu	11,188	11,588	4%
Puducherry	252	192	-24%
Andaman& Nicobar Islands	28	36	30%
Telangana	5,211	5,726	10%
Andhra Pradesh	3,815	3,490	-9%
Ladakh	56	78	39%
Other Territory	191	247	29%
Center Jurisdiction	266	366	38%
Grand Total	**1,42,251**	**1,45,052**	**2%**

Source: Press Information Bureau, Government of India

The table 2 shows the several states with Positive Growth and recorded an increase in GST revenue are Gujarat (6 per cent), Karnataka (10 per cent), and Maharashtra (3 per cent) showed strong performance, indicating robust industrial and commercial activity. Economic hubs like Gujarat, Maharashtra and Karnataka continue to

drive GST growth, reflecting strong industrialization and consumption. Odisha (5 per cent), Uttar Pradesh (2 per cent) and Bihar (3 per cent) also displayed moderate growth. Smaller northeastern states such as Nagaland (46 per cent) and Arunachal Pradesh (44 per cent) recorded very high growth rates, though from a lower base. Punjab (4 per cent) and Dadra & Nagar Haveli and Daman & Diu (10 per cent) also showed improvement.

Some states with negative growth declines were observed in Himachal Pradesh (-17 per cent), Jharkhand (-15 per cent) and Uttarakhand (-13 per cent). Jammu and Kashmir (-9 per cent), Sikkim (-8 per cent) and Tripura (-6 per cent) also showed notable declines. Andhra Pradesh (-9 per cent) and Kerala (-2 per cent) showed a decline in GST collections. Goa (-3 per cent) and Puducherry (-24 per cent) also recorded negative growth, with Puducherry experiencing a zignificant drop. The Himachal Pradesh, Jharkhand, Uttarakhand, Jammu and Kashmir, Sikkim, Andhra Pradesh, Kerala, Goa and Tripura states showing negative growth may indicate slowdown in economic activities, reduced consumption, compliance issues and economic slowdown. Industrial states like Rajasthan (-3 per cent), Madhya Pradesh (-5 per cent) and Chhattisgarh (-2 per cent) recorded negative growth. The southern states such as Kerala (-2 per cent) and Goa (-3 per cent) also experienced a decline. Some states with stable performance Haryana (zero per cent) showed almost no change, indicating stable GST collection. Delhi (-1 per cent) and West Bengal (-1 per cent) remained nearly stable with marginal decline.

Telangana (10 per cent) recorded strong growth, reflecting increased industrial activity, IT sector expansion, and higher consumption levels. Tamil Nadu (4 per cent) showed steady growth, indicating stable economic performance. Smaller regions like Andaman and Nicobar Islands (30 per cent), Ladakh (39 per cent) and Lakshadweep (39 per cent) exhibited very high growth rates, mainly due to a low base effect.

Other union Territory (29 per cent) and Center Jurisdiction (38 per cent) recorded substantial increases, indicating improved tax administration and compliance. Lakshadweep and Ladakh also showed remarkable growth due to their smaller economic base.

Conclusion

A trend analysis of this study shows that, apart from few years and states in GST collections over the years. There is a sharp decline only during 2020-21 due to the pandemic. The post-pandemic years show strong recovery and consistent growth. The growth rate is gradually declining in recent years, indicating maturity and stabilization of the GST system. The study highlights GST has become a reliable and growing source of revenue for the government. Despite temporary setbacks, the long-term trend is positive, reflecting improved compliance, economic growth and efficient tax administration in

India. The study another highlights that overall growth in GST revenue, with the grand total increasing by 2 per cent, indicating steady but limited expansion in tax collections. However, performance varies significantly across states and Union Territories. The analysis reflects a mixed trend in GST revenue performance, with some states showing positive growth while many others experienced declines. This indicates uneven economic activity and sectoral variations across regions. Policymakers may need to focus on underperforming regions to improve tax compliance, boost economic activity and ensure balanced revenue growth across the country.

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