

# U.P. launches initiative to broaden GST base

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LUCKNOW Uttar Pradesh has launched a new initiative aimed at expanding its Goods and Services Tax (GST) base by focusing on untapped sectors within the service industry.

The move is expected to bring more revenue into state finances.

Key sectors under scrutiny include real estate, banking, insurance, advertising, restaurants, and e-commerce.

The state aims to enhance compliance and curb tax evasion by appointing officials to oversee specific sectors and ensure operations are scrutinised for irregularities.

Commissioner state tax, Nitin Bansal said the service sector has immense scope for broadening the tax base in the state.

"There may be a number of areas within the service sector, that are presently not taxed for any reason. We are identifying such areas with a view to bringing them under the tax net," he added.

A key area identified for reve-

nue generation is the transport department, where officials estimate Rs 300 crore could be collected from VIP vehicle registration number auctions, subject to an 18% GST levy.

The state's tax department has already issued a notice to the transport department clarifying that revenue from VIP number auctions is taxable under GST.

M Devraj, principal secretary of state tax, explained that before GST implementation in 2017, taxes on services were collected by the Centre, and many state officers are still unfamiliar with the nuances of the service sector.

To address this, joint commissioners have been assigned as nodal officers for sectors like e-commerce and real estate, tasked with identifying potential tax leakages.

"While it is too early to comment on the possible additional revenue that could be tapped by targeting services, we understand the real estate alone may have the potential of generating a revenue of Rs 300-400 crore annually," the official said.