Syllabus subtopic: Government Policies and Interventions for Development in various sectors and Issues arising out of their Design and Implementation.

Prelims and Mains focus: about the move and its significance; about GST and GST Council

News: The government is planning to introduce lottery offers between Rs 10 lakh and Rs 1 crore under the GST to encourage customers to take bills while making purchases.

About the move

- Every bill under the goods and services tax (GST) regime will provide a chance to the customers to win a lottery and that would act as an incentive for them to pay the tax.

- As per the plan, the purchase bill would be uploaded on a portal and a draw would be held automatically and the winners would be informed.

- The GST Council, chaired by Finance Minister and comprising state counterparts, would vet the proposed lottery scheme.

- The Council would also decide on the minimum threshold for bills that would be included in the lottery. As per the plan, the money for the lottery would come from the consumer welfare fund, where the proceeds of anti-profiteering are transferred.

About GST

- Under the four-tier GST, goods and services are taxed at 5, 12, 18 and 28 per cent. Besides, cess is levied on luxury, sin and demerit goods on top of the highest tax rate.

Other measures to be taken
To plug leakages in GST revenue, the government is considering various options in business-to-consumer deals, including lotteries and incentivising QR Code-based transactions.

The government has constituted a committee of officers to suggest measures to augment GST revenue collections.

The panel has been tasked to suggest systemic changes in GST, including checks and balances, to prevent misuse and measures to improve voluntary compliance.

Also, it has been tasked to give inputs on measures for the expansion of the tax base.

The committee, which made presentation before the GST Council on December 18, suggested pruning of exempt list for raising resources.