



UPSC & STATE PCS CURRENT AFFAIRS · UJIYARI.COM

DAILY CURRENT AFFAIRS

GST Enters Its Tenth Year: Nine Years of the Goods and Services Tax

1 July 2026 · ECONOMY · GS3 · GS2

CURATED & WRITTEN BY

**Bharat Choudhary**

UPSC Educator & Content Creator

[linkedin.com/in/epicbharat](https://www.linkedin.com/in/epicbharat)

ALSO FROM THE CREATOR

BharatNotesFree UPSC notes, MCQs, PYQ analysis. **100% Free.**bharatnotes.com →

ADVERTISE

Advertise with Ujiyari

Reach thousands of UPSC aspirants daily.

epicbharat@gmail.com



GST Enters Its Tenth Year: Nine Years of the Goods and Services Tax

1 July 2026 · 5 min read ·

 Source: ujyari.com — researched, fact-checked & UPSC-mapped

 **Every fact web-verified against primary sources** (<https://ujyari.com/how-we-verify/>)

WHY IN NEWS

July 1, 2026 marks the completion of nine years of the Goods and Services Tax (GST), rolled out on July 1, 2017, with the tax now entering its tenth year on the back of the GST 2.0 slab reform and record collections crossing Rs 22 lakh crore.

The Goods and Services Tax has moved from a bold experiment in cooperative fiscal federalism (<https://ujyari.com/terms/fiscal-federalism/>) to the backbone of India’s indirect tax system. As it enters its tenth year, GST is celebrated for having unified a fragmented market of over 30 states and union territories into a single “one nation, one tax” regime, while the debate on rate rationalisation, compensation cess sunset and Micro, Small and Medium Enterprise (MSME) compliance continues.

CONSTITUTIONAL FOUNDATION OF GST

GST was introduced through the **101st Constitutional Amendment Act, 2016**, which restructured the taxing powers of the Union and the States. Three new provisions form its constitutional spine.

| ARTICLE | PROVISION |
|---------------------|--|
| Article 246A | Gives Parliament and State Legislatures concurrent power to make laws on GST; empowers Parliament exclusively on inter-state supply |
| Article 269A | Provides for levy and collection of GST on inter-state supply, that is, Integrated GST (IGST), apportioned between Centre and States |
| Article 279A | Provides for the constitution of the GST Council |

GST is a **destination-based, multi-stage, value-added tax** levied on the supply of goods and services, with **input tax credit (ITC)** flowing across the chain to avoid the cascading “tax on tax”. It **subsumed** a web of earlier levies including central excise duty, service tax, additional customs duties, state Value Added Tax (VAT), entertainment tax, luxury tax and octroi.

The GST Council: Article 279A

The **GST Council** is the apex (<https://ujivari.com/vocab/apex/>) federal decision-making body on GST.

- **Chairperson:** Union Finance Minister
- **Members:** Union Minister of State for Finance, and the Finance or Taxation Minister of each State
- **Voting:** Decisions require a **three-fourths majority** of weighted votes; the **Centre holds one-third weight** and **all States together hold two-thirds**
- **Quorum:** Half of the total members

This structure makes GST a live example of **cooperative fiscal federalism** (<https://ujivari.com/terms/federalism/>), where neither the Centre nor the States can act unilaterally on rates or exemptions.

NINE YEARS IN NUMBERS

The scale of GST’s expansion over nine years is captured below.

| INDICATOR | AT ROLLOUT (2017 / FY18) | 2026 / FY26 |
|--------------------------|--------------------------------|----------------------------------|
| Registered taxpayer base | About 6.65 million (66.5 lakh) | About 16 million (1.65 crore) |
| Gross annual collections | About Rs 7.4 lakh crore (FY18) | About Rs 22.27 lakh crore (FY26) |

The taxpayer base has grown roughly 2.4 times, and gross collections have roughly tripled, reflecting both a widening formal economy and improved compliance driven by e-invoicing and data analytics.

GST 2.0: THE SLAB REFORM

Historically, GST operated with **four primary slabs, 5%, 12%, 18% and 28%**, plus special rates and a compensation cess. This multiplicity attracted criticism for classification disputes and inverted duty structures.

The **GST 2.0 reform of September 2025** consolidated the structure into:

- **Two primary slabs, 5% and 18%**
- **A 40% demerit rate** on sin and luxury goods such as tobacco, high-end automobiles, aerated and sugary drinks, online gaming and lottery

This simplification is designed to reduce disputes, ease MSME compliance and make the “Good and Simple Tax” vision more real for ordinary consumers.

ANALYSIS AND WAY FORWARD

GST’s nine-year record is a story of institutional resilience (<https://ujivari.com/vocab/resilience/>). It survived a pandemic, revenue shortfalls, and centre-state friction, yet delivered a unified market and buoyant collections. The GST 2.0 rationalisation addresses the long-standing complaint of too many slabs, but three issues remain on the reform agenda.

First, the **compensation cess sunset** requires a durable settlement so States do not face a fiscal cliff after the guaranteed revenue window closes. Second, **rate rationalisation** must avoid inflationary shocks while protecting revenue neutrality. Third, **MSME compliance** must be eased further through simplified returns and faster refunds. The way forward lies in bringing remaining sectors such as petroleum products, electricity and real estate into the GST net, and in strengthening the GST Council as a permanent forum of fiscal federalism.

UPSC RELEVANCE

GS Paper 3: Indian economy, mobilisation of resources, government budgeting, and indirect tax reform.

GS Paper 2: Federal structure, centre-state financial relations, and functioning of constitutional and statutory (<https://ujivari.com/vocab/statutory/>) bodies (GST Council).

Prelims pointers:

- 101st Constitutional Amendment Act, 2016 introduced GST.
- Article 246A (concurrent power), Article 269A (IGST), Article 279A (GST Council).
- GST Council: Union Finance Minister as Chair; three-fourths majority; Centre one-third, States two-thirds weight.
- GST 2.0 (September 2025): two slabs (5%, 18%) plus 40% demerit rate.
- Destination-based, multi-stage, value-added tax with input tax credit.

Mains question: “The Goods and Services Tax is as much an exercise in cooperative fiscal federalism as it is a tax reform.” Critically examine in light of nine years of GST implementation. (15 marks, 250 words)

FACTS CORNERUjyari Current Affairs - ujyari.com - Free Daily Current Affairs for UPSC & State PCS**★ FACTS CORNER, KNOWLEDGEPEDIA**

Rollout date: July 1, 2017; celebrated as GST Day. July 1, 2026 completes nine years and begins the tenth year.

Enabling law: 101st Constitutional Amendment Act, 2016.

Key Articles: 246A (concurrent taxing power), 269A (inter-state supply/IGST), 279A (GST Council).

GST Council: Chaired by the Union Finance Minister; decisions need a three-fourths majority; Centre one-third weight, States two-thirds.

Nature of tax: Destination-based, multi-stage, value-added, with input tax credit.

Slabs after GST 2.0 (Sept 2025): 5% and 18% primary, plus 40% demerit rate for sin and luxury goods.

Taxpayer base: grew from about 66.5 lakh (2017) to about 1.65 crore (2026).

Collections: rose from about Rs 7.4 lakh crore (FY18) to about Rs 22.27 lakh crore (FY26).

Subsumed taxes: central excise, service tax, state VAT, entertainment tax, octroi and others.

Sources: *Business Standard* (<https://www.business-standard.com/>), *PIB* (<https://pib.gov.in/>), *ClearTax* (<https://cleartax.in/>)

Source: GST Enters Its Tenth Year: Nine Years of the Goods and Services Tax — [Ujyari.com](https://ujyari.com) | Free UPSC & State PCS Current Affairs

RELATED EDITORIALS

Ujjyari Current Affairs · ujjyari.com · Free Daily Current Affairs for UPSC & State PCS

BUSINESS STANDARD

[Nine Years of GST: The Unfinished Agenda](#)

1 Jul

INDIAN EXPRESS

[Tourism's Binding Constraint Is Governance](#)

1 Jul

THE HINDU

[Expensive State Borrowing and Fiscal Federalism](#)

1 Jul

BUSINESS STANDARD

[Design Must Meet Reality: Rethinking Battery Rules](#)

30 Jun

RELATED KEY TERMS

KEY TERM

[ACNAS](#)

Advisory Committee on National Accounts Statistics, the expert body...

KEY TERM

[Act East Policy](#)

India's strategic foreign policy framework prioritising active...

KEY TERM

[Agri-Photovoltaic](#)

A dual land-use technology that integrates elevated solar panels with...

KEY TERM

[ALMM](#)

MNRE-notified list restricting government-supported solar PV projects...

Ujiyari Current Affairs · ujiyari.com · **Free Daily** Current Affairs for UPSC & State PCS

CURATED & WRITTEN BY

Bharat Choudhary

UPSC Educator & Content Creator

[linkedin.com/in/epicbharat](https://www.linkedin.com/in/epicbharat)[Read Full Article on Ujiyari →](#)<https://ujiyari.com/daily/2026/07/01/gst-day-2026-nine-years-gst-2-0/>

ALSO FROM THE CREATOR

BharatNotes

Free UPSC study platform — subject-wise notes across all 4 GS papers, Prelims MCQs, Mains answer frameworks, PYQ analysis & progress tracking. **100% Free • No Login Required.**

[Start Preparing → bharatnotes.com](#)

📌 OPPORTUNITY

Advertise with Ujiyari

Reach **thousands of serious UPSC & State PCS aspirants** daily through our PDFs, website, and social channels.

Ideal for: Coaching institutes • EdTech platforms • Book publishers • Exam prep apps

[✉ epicbharat@gmail.com](mailto:epicbharat@gmail.com)

Write to us for rates & media kit

Free UPSC & State PCS Current Affairs · ujiyari.com · bharatnotes.com