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## Tax Trends

Top Tax News This Week

## GST has a Success Problem: Experts flag Next Big challenge for Tax Reform

The Goods and Services Tax (GST) system is facing what businesses are calling a “success problem”. The country's indirect tax framework is collecting more money than ever before. Gross GST collections hit a record Rs 22.08 lakh crore in FY25. In April 2026 alone, collections touched an all-time high of Rs 2.43 lakh crore, rising 8.7 per cent year-on-year despite global disruptions linked to the Iran war. As per the data, released earlier this month, import-related GST collections remained a key driver of growth. The debate is no longer about GST adoption. That phase is over. The next challenge is ensuring the technology backbone can support a rapidly formalising economy without disruptions.





**NDTV Profit**

## Ride- hailing apps: GST Council to review Taxation in bid to ease

### Compliance rules

The GST Council is expected to meet before mid-July, just ahead of the monsoon session of Parliament, with ride-hailing taxation and broader compliance simplification both on the likely agenda. While app-based ride-hailing services currently attract 5% GST on ride fares, there is an ongoing debate centred on how the tax should apply to commission-based and discovery-only platform models. The GST Council is now looking into it, as per media reports. The confusion stems from Section 9(5) of the Central GST Act, which makes e-commerce operators responsible for collecting 5% GST on passenger fares. That works cleanly for commission-based platforms, which collect fares, take their cut, and pay out drivers. The platform controls the transaction, so taxing it makes sense. But newer platforms, Rapido being the most prominent, operate on a subscription model. Drivers pay a fixed daily or weekly fee to access the app; fares are settled directly between driver and passenger, with the platform playing no role. These platforms argue, with some logic, that there is no aggregated fare for them to levy GST on.

## Special tax drive launched as revenues

**slow** According to official sources, the Income Tax Department has directed field officers to intensify the recovery of confirmed and undisputed tax demands, strengthen monitoring of large non-compliant taxpayers and improve demand management. Under the project termed the Central Action Plan for 2026-27, the department has specifically asked officers to prioritise recovering ₹2.57 lakh crore in demands upheld by the Commissioner of Income Tax (Appeals) in FY26. Special teams are being set up to pursue top arrear cases and analyse tax trends sectorally. The tax officers also have to ensure prompt refunds and better taxpayer outreach to improve compliance and minimise revenue leakages. The Centre has set a direct tax collections target of Rs 26.97 lakh crore in FY27, an increase of more than 15% over the actual receipts of Rs 23.4 lakh crore in FY26.





## **Income tax return AY 26-27: Excel utility, online filing for ITR-1, ITR-4 forms now available on e-filing portal**

The Income Tax (I-T) Department has released Excel utility versions of Income Tax Return (ITR) forms 1 and 4 for the Assessment Year 2026–27 (FY 2025-26) while also starting online filing for the same forms. These tools are now available for download on the official income tax e-filing portal, allowing eligible taxpayers to start preparing for the filing of income tax returns. Individuals who are residents and who earn up to Rs 50 lakh in total income from salary, two properties, interest and other sources; long-term capital gains under Section 112A up to Rs 1.25 lakh; and agricultural income up to Rs 5,000 are eligible to file ITR 1. Individuals, HUFs and firms (other than LLP) being a resident having total income up to Rs 50 lakh and having income from business and profession which is computed under Sections 44AD, 44ADA or 44AE, and having long-term capital gains under Section 112A up to Rs 1.25 lakh are eligible to file ITR-4.

# Contact Information



**Gurugram Office:**

1st Floor, AIHP Palms

242 & 243, Udyog Vihar IV, Gurugram-122015



+91-124-4309062



[info@reinalegal.com](mailto:info@reinalegal.com)



[www.reinalegal.com](http://www.reinalegal.com)