

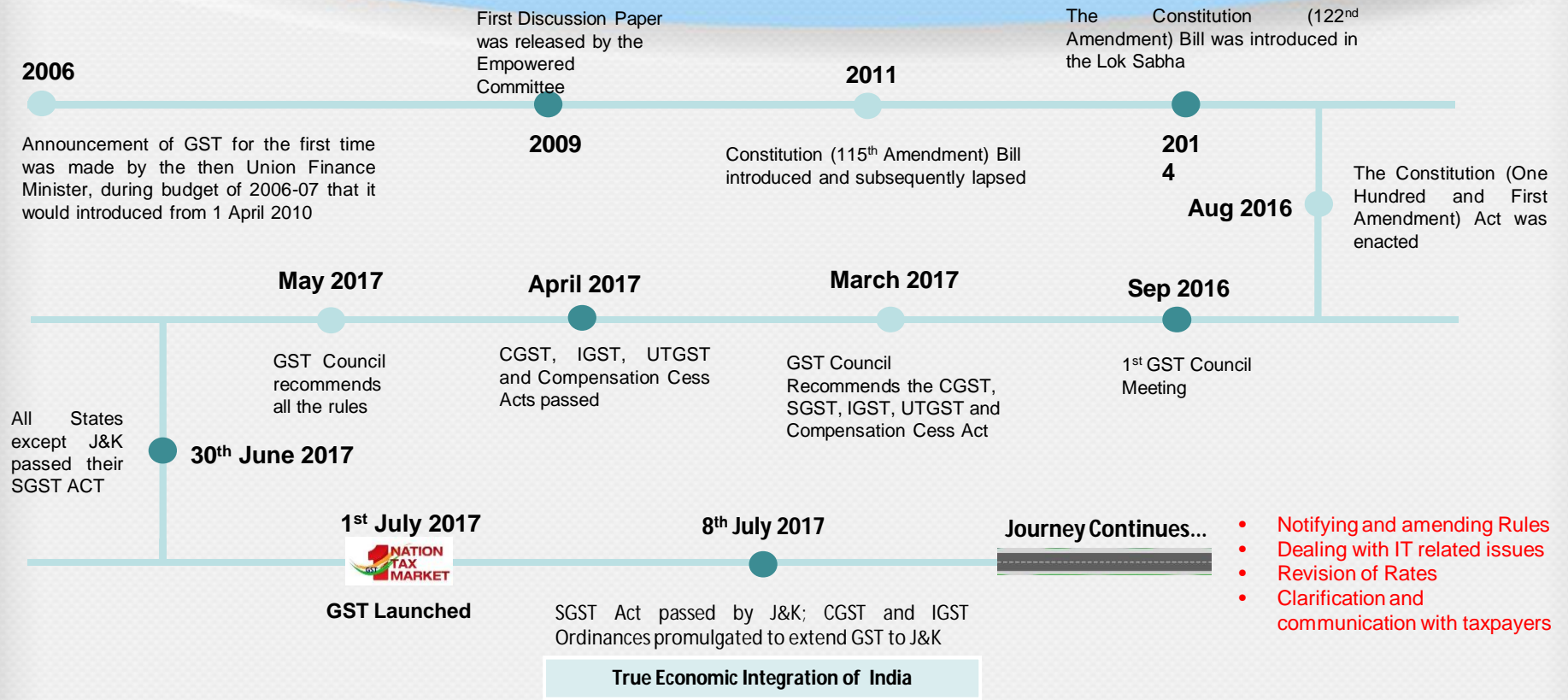
Overview And Features of GST

**D.P. Nagendra Kumar
Director General,
GST Intelligence (South)**

Objectives of Indirect Tax Reform in India

- Widening the tax base
- Rationalizing the rate structure – few rates; low rates
- Enhancing equity of the tax system
- Shift to non-distortionary consumption taxes
- Enhancing international competitiveness of Indian goods and services
- Strengthening the fiscal autonomy of States
- Simplifying the tax laws and processes to optimize tax collections, reduce compliance cost

The Journey to GST



GST Law from a Constitutional Perspective (2/2)

- Constitution (101st Amendment) Act, 2016 notified on 08.09.2016
- Key Features:
 - Concurrent jurisdiction for levy & collection of GST by the Centre & the States – Article 246A
 - Centre to levy & collect IGST on supplies in the course of inter-State trade or commerce including imports – Article 269A
 - Compensation for loss of revenue to States for 5 years on recommendation of GSTC – Clause 19

GST Features

- Concurrent Dual GST
 - CGST and SGST on intra-State supply of goods or services or both
 - IGST on inter-State supply of goods and services including imports
- Shift from origin to destination based taxation
- A single tax to replace multiple taxes (17) applicable on supply of both goods and services
- Uniform legislation, rules and procedures
- Uniform threshold, rates and common exemptions both at the State and Central level

GST Features

- Taxable event – supply defined to cover all transactions other than transfer of title in land and immovable property
- GST apply to all goods other than Alcoholic liquor for human consumption and five specified petroleum products
- GST apply to all services barring a few such as health, education and services provided by local self government bodies
- Tobacco and Tobacco products would attract excise duty in addition to GST

GST - Features

- Composition scheme for small tax payers
- Maximum rate prescribed in the Act
- ITC - Cross credit utilization in respect of inter-State supplies
- Electronic matching of input tax credit
- Key business processes – registration, return, payment, refunds through common portal – GSTN
- State-wise single registration for CGST/SGST/IGST
- Provisions to tax e-commerce transactions

GST - Features

- Self-assessment by tax payers – departmental officers may undertake scrutiny / audit of declarations made in the tax returns
- Cross empowerment of tax officers for single interface
- Elaborate provisions on place of supply under IGST Act
- Inter-governmental fund settlement
- Transitional provisions
- Advance Rulings, Appeals and Revisions
- Anti-profiteering