GST

13TH COUNCIL MEETING

BY –CA GAURAV AGARWAL

+91-9680308787

The object of the study material is to provide material to various professionals to enable them to obtain knowledge and skill in the subject. In case any clarification or suggestion to make further improvement may write at below mail id- gauravramco@gmail.com

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Contact: - 9680308787

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ABOUT THE AUTHOR

Gaurav Agarwal,has vast experience in rendering Taxation & advisory Services. He has handled several assignments relating to Statutory Audits of corporate, Insurance Companies, Automobile,Real estate & Banks.

Mr Gaurav Agarwal has secured **1st position on the merit list all over India** in Tax Management Course of The Institute of Chartered Accountants of India.

He was awarded –**S PARAMASIVAM MEMORIAL AWARD** BY The Institute of Chartered Accountants of India IN PERSENCE OF Indian Rail Minister Shri Suresh S Prabhu on 8th February 2017 in Delhi.

Mr Gaurav Agarwal has also secured 44th position in CA Inter Exam. He is also writing various analytical articles on Goods & Service Tax [GST] & other taxation law.

He did his graduation from Rajasthan University in 2012 with 76 %.

He has rich knowledge of Goods & Service Tax, Service Tax and representing in various awareness Camp & discussion on GST with CBEC, Business Union & professional Group etc.

He also has rich experience to handle assessment and Serach & survey cases of Direct and Indirect Taxes.

ABOUT GST

Goods and Services Tax (GST) is a proposed system of indirect taxation in India merging around 17 existing taxes into single system of taxation. It was introduced as The Constitution (One Hundred and First Amendment) Act 2016. The GST is administered & governed by GST Council and its Chairman is Union Finance Minister of India Arun Jaitley and till March 17,2017 Twelve [12] council meeting was held for proper implementation of GST in India.

GST would be a comprehensive indirect tax on manufacture, sale and consumption of goods and services throughout India, to replace taxes levied by the central and state governments.

This method allows GST-registered businesses to claim tax credit to the value of GST they paid on purchase of goods or services as part of their normal commercial activity. Taxable goods and services are not distinguished from one another and are taxed at a single rate in a supply chain till the goods or services reach the consumer. Administrative responsibility would generally rest with a single authority to levy tax on goods and services. Exports would be considered as zero-rated supply and imports would be levied the same taxes as domestic goods and services adhering to the destination principle in addition to the Customs Duty which will not be subsumed in the GST.

The introduction of Goods and Services Tax (GST) would be a significant step in the reform of indirect taxation in India. Amalgamating several Central and State taxes into a single tax would mitigate cascading or double taxation, facilitating a common national market. The simplicity of the tax should lead to easier administration and enforcement. From the consumer point of view, the biggest advantage would be in terms of a reduction in the overall tax burden on goods, which is currently estimated at 25%-30%, free movement of goods from one state to another without stopping at state borders for hours for payment of state tax or entry tax and reduction in paperwork to a large extent.

What changes there would be if India launches GST- “The tax rate under GST may be nominal or zero rated for the time being. It has been proposed to insulate the revenues of the States from the impact of GST, with the expectation that in due course, GST will be levied on petroleum and petroleum products.” The central government has assured states of compensation for any revenue losses incurred by them from the date of introduction of GST for a period of five years under Compensation act.

As India is a federal republic GST would be implemented concurrently by the central government and by state governments

HISTORY

Council Meeting	Date
1st Council Meeting	22-23 Sept 2016
2nd Council Meeting	30 Sept 2016
3rd Council Meeting	18-19 Oct 2016
4th Council Meeting	3-4 Nov 2016
5th Council Meeting	2-3 Dec 2016
6th Council Meeting	11 Dec 2016
7th Council Meeting	22 to 23 Dec 2016
8th Council Meeting	03 to 04 Jan 2017
9th Council Meeting	18-01-2017
10th Council Meeting	16-02-2017
11th Council Meeting	04 to 05 March 2017
12th Council Meeting	March 16 2017
13th Council Meeting	March 31 2017
Upcoming 14th Council Meeting	May 18-19 2017

SUMMARYOF MEETING

The all-powerful Goods & Services Tax (GST) Council in its 13th meeting held at New Delhi decided the followings:-

1. Approval to draft GST rules (5 out of 9) which were released in September 2016 duly aligned with GST law as approved by Lok Sabha on 29 March, 2017
2. The rules approved by GSTC are in relation to-

    a) Registration of taxpayers
    b) Payment of tax
    c) Filing of returns
    d) Invoicing,
    e) Debit & Credit notes
    f) Refunds

3. The tentative approval has been accorded to the remaining four set for rules which relate to:

    a) Valuation of supply of goods / services
    b) Input tax credit
    c) Transition provision for migration to GST regime
    d) Composition scheme rule

The main agenda for the next GSTC meeting would be to:

1. Grant final approval to tentatively approved four set of rules, and
2. Approval of rate structure in relation to individual items of goods and services

While it is expected that group of officers, both from the centre and states will now work as fitment of goods and services into the four GST rate slabs

There are some questions that remain to be answered:

1. Why this long gap of 48 days before next meeting?
2. Fitment of rates is crucial to be known to trade and industry to take strategic decisions and so is transition and input credit rules. Would mid May will not be too late?
3. What is the time frame for SGST legislation which has to be enacted by all 31 State legislative assemblies?
4. Administrative set of CGST / SGST / dual control must also be made public now pattern of which was decided earlier in council meeying
5. If the remaining rules, which are important and rates are to be decided after mid May / with less than 45 days for proposed 1st July date, it may be difficult for all stake holders to implement w.e.f. July, 2017.

"Today we discussed four set of rules—

- GST input tax credit rules,
- valuation rules,
- transitional provisions and
- composition rules,"

Finance minister Arun Jaitley said.

The tentatively approved rules will be put up for public comments and industry can send their suggestions. The rules will be taken up for final approval in the next meeting.

The council has already approved rules on registration, return, payment, refund, invoice, debit and credit but they have to be altered to bring them in conformity with those provided in the GST Bills, explained Council meeting Chairmen Shri Jaitley.

"The next meeting will be held on May 18-19, where besides these rules being given final approval, the rates of individual commodities will be taken up for consideration. It will be held in Srinagar," he said.

The rates in the four-slab structure of the GST will be 5%, 12%, 18% and 28%. A cess on certain goods will also be levied to create a fund for compensating states for any revenue loss in the first five years of the new tax regime.

Once the bills are passed in by both houses of Parliament, the government will issue a notification after the President’s consent. The states will then pass a separate law — the State GST (SGST) bill — to roll out the reform.

The passage of the bills removed years of political differences over the GST that will eliminate tax barriers, and subsume a host of indirect taxes levied by the Centre and the states, including excise, service tax, entertainment, entry, luxury and value-added taxes. And now with all GST-related rules being approved by the council, India is all set to rollout the biggest tax reform since Independence, and also keep the July 1, 2017, deadline.

More than a decade in the making, the GST is expected to shore up government revenue and spur economic growth by 1-2 percentage points. The government has gone on record to state that the tax burden will be reduced, but experts say the GST will stoke inflationary trends in the initial years.