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Issue 01

Goods & Services Tax

Educational Series

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Understanding Basics of GST

- Single tax rate for a product or service in any part of the country (except J&K)
- The following 17 different indirect taxes will be subsumed under GST

Central taxes	*State taxes*
1. Central Excise Duty; 2. Duties of Excise (Medicinal and Toilet Preparations); 3. Additional Duties of Excise (Goods of Special Importance); 4. Additional Duties of Excise (Textiles and Textile Products); 5. Additional Duties of Customs (commonly known as CVD); 6. Special Additional Duty of Customs (SAD); 7. Service Tax; 8. Cesses and surcharges insofar as they relate to supply of goods or services.	9. State VAT; 10. Central Sales Tax; 11. Purchase Tax; 12. Luxury Tax; 13. Entry Tax (All forms); 14. Entertainment Tax (except those levied by the local bodies); 15. Taxes on advertisements; 16. Taxes on lotteries, betting and gambling; 17. State cesses and surcharges insofar as they relate to supply of goods or services.

- Better compliance for trade and industry sector
- Seamless flow of credit across the value chain.
- Removal of cascading effect.
- Dual GST (Central GST & State GST) and Integrated GST (IGST)
- Tax rates : 5%, 12%, 18% & 28%
- Destination based tax
- Taxable event – SUPPLY
- Threshold exemption limit : Rs 20 lakhs & Rs 10 lakhs (for special category States & North Eastern States)
- Composition scheme threshold: Rs 50 lakhs
- Pan based registration
- Tax can be deposited by internet banking, NEFT/RTGS, debit card, credit card & Over the Counter (OTC).
- Goods and service tax network (GSTN), the technology backbone of GST. It provides IT infrastructure and services to the Central and State Governments, tax payers and other stakeholders for implementation of the Goods and Services Tax (GST)
- GST Suvidha Provider (GSP) is an online compliance platform which will enable the taxpayer to comply with the provisions of the GST law through its web platform.