Determination of Inter and Intra State Supplies

As per Section 5 of IGST Act, Integrated Goods and Service Tax (IGST) will be levied on all inter-state supplies of goods or services or both.

As per Section 9 of CGST Act, Central Goods and Service Tax (CGST) will be levied on all intra-state supplies of goods or services or both.

Similarly, As per Section 9 of SGST Act of the all States, State Goods and Service Tax (SGST) to be levied on all intra-state supplies of goods or services or both.

So, it is necessary to determine a supply whether it is Inter-state supply or Intra-state supply.

Inter-State Supply

The following supplies are considered as Inter-state supply:

- For the supply of goods or services, where the location of the supplier and the place of supply are in -
  - two different states
  - two different union territories
  - in a state and a union territory
- Supply of goods imported into the territory of India, till they cross the customs frontiers of India
- Supply of services imported into the territory of India
- Supply of goods or services or both –
  - When the supplier is located in India and the place of supply is outside India
  - Supplies to or by a Special Economic Unit or Developer
  - All other supplies which are made in the taxable territory, not being Intra-state supplies and not covered in the section

Intra-State Supply

The following supplies are considered as Intra-state supply:

- For the supply of goods or services, where the location of the supplier and the place of supply are in –
  - In the same state
  - In the same union territory

The following supplies are not considered as Intra-state supply:

- Supply of goods or services to or by a Special Economic Zone Unit or Developer
- Goods imported into the territory of India till they cross the customs frontiers of India
- Supplies made to a tourist referred in section 15 – Integrated tax paid, on the goods taken out of India, by a tourist while leaving India, will be refunded subject to the condition that he is not resident of India

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