

INTRODUCTION TO GOODS AND SERVICES TAX

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ABOUT THE FACULTY :

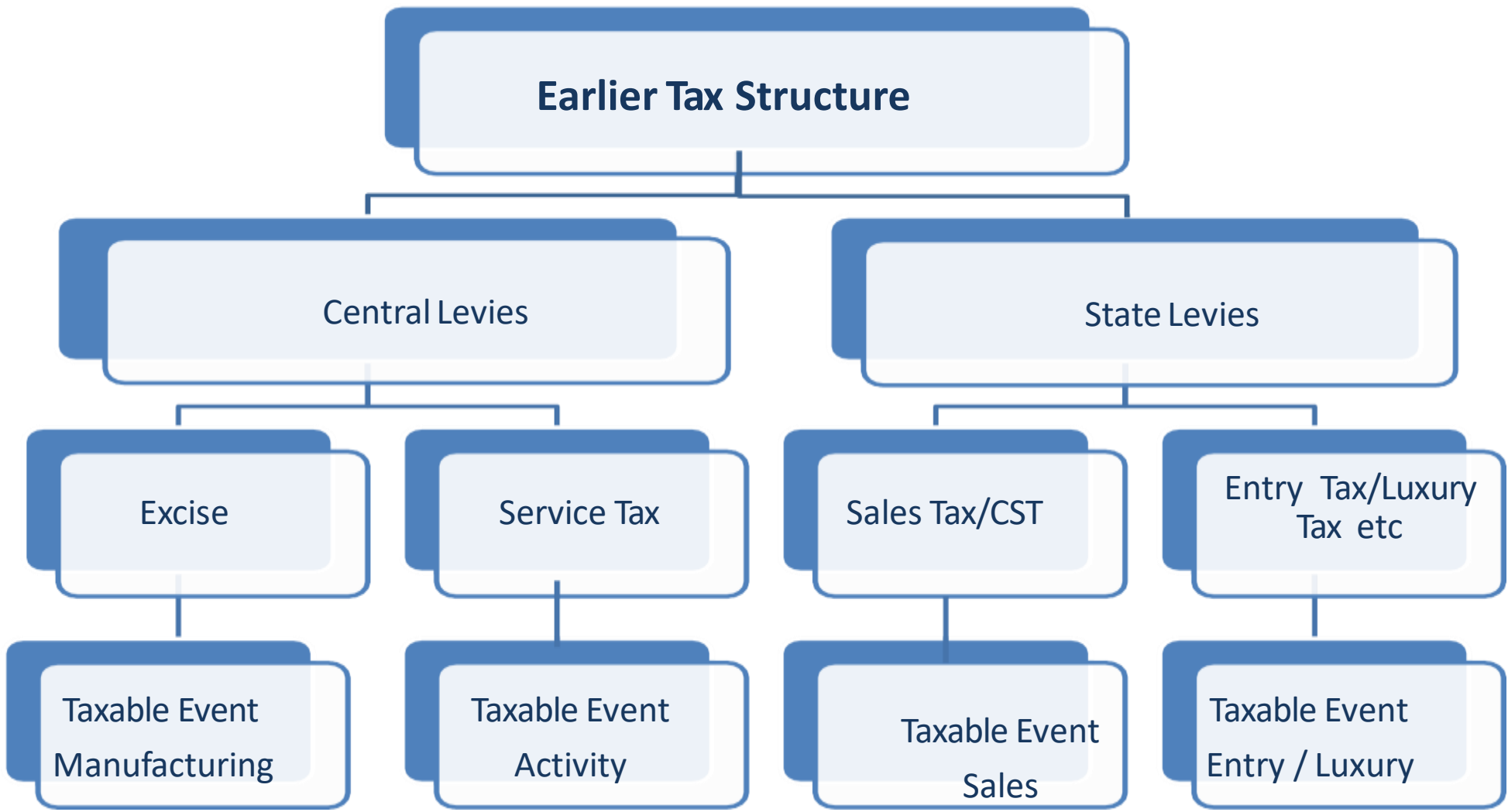
Mr. T G RAO is an Associate Member of The Institute of Cost Accountants of India (A Statutory Body under an Act of Parliament).

- He a Consultant for 'Goods and Services Tax' and running his own Tax Consultancy based in Bangalore. He has more than 9 Years Corporate Experience in Audit, Finance, Taxation etc.
- He is a Visiting Faculty for 'Oxford College of Commerce and Management' – Bangalore and other reputed Institutions in Bangalore.
- He is a regular speaker in workshops and seminars for Goods and Services Tax for Trade Associations and Business Communities.
- He is an expert in litigation handling for 'Goods and Services Tax matters'.

INTRODUCTION TO GST

LEARNING OBJECTIVES:

- Earlier Tax Structure
- Taxes Subsumed under GST
- Meaning and Definition of GST
- Objectives / Benefits of GST
- Constitutional Amendments
- Acts Passed for implementation of GST
- Commodities kept outside the Purview of GST
- GST Council, Structure, Functions
- GST Network
- GST ECO –SYSTEM



TAXES SUBSUMED UNDER GST

Central Taxes

- Central Excise duty
- Additional duties of excise
- Excise duty levied under Medicinal & Toiletries Preparation Act
- Additional duties of customs (CVD & SAD)
- Service Tax
- Surcharges & Cesses

State Taxes

- State VAT / Sales Tax
- Central Sales Tax
- Purchase Tax
- Entertainment Tax (other than those levied by local bodies)
- Luxury Tax
- Entry Tax (All forms)
- Taxes on lottery, betting & gambling
- Surcharges & Cesses



Constitution amended to provide concurrent powers to both Centre & States to levy GST (Centre to tax sale of goods and States to tax provision of services)

DEFINITION OF GST

Article 366 (12A) – GST Definition:

- Article 366(12A) of the Constitution as amended by 101st Constitutional Amendment Act, 2016 defines the Goods and Services tax (GST) as a tax on supply of goods or services or both, except supply of alcoholic liquor for human consumption.

BENEFITS OF THE GST

A) Benefits to the Country as a whole

- i. Broader Tax Base
- ii. Decrease in “Black Money” transactions
- iii. Destination Based Tax System
- iv. Mitigating Disputes between Centre and States for sharing the Revenue of Taxes
- v. Attracting Foreign Investments in India (FDI)
- vi. Easier Administration

BENEFITS OF THE GST

B) To Trade Community

- i. Reduction in multiplicity of taxes
- ii. Mitigation of cascading/ double taxation
- iii. Uniform Rate of Tax and Common National Market
- iv. Seamless Input Credit of Taxes

BENEFITS OF THE GST

(C) To Trade Community :

- i. Development of common national market
- ii. Free Flow of Goods and Services – No Checkpoints
- iii. Simpler tax regime
- iv. Fewer rate Slabs
- v. Distinction between Goods & Services no longer required

BENEFITS OF THE GST

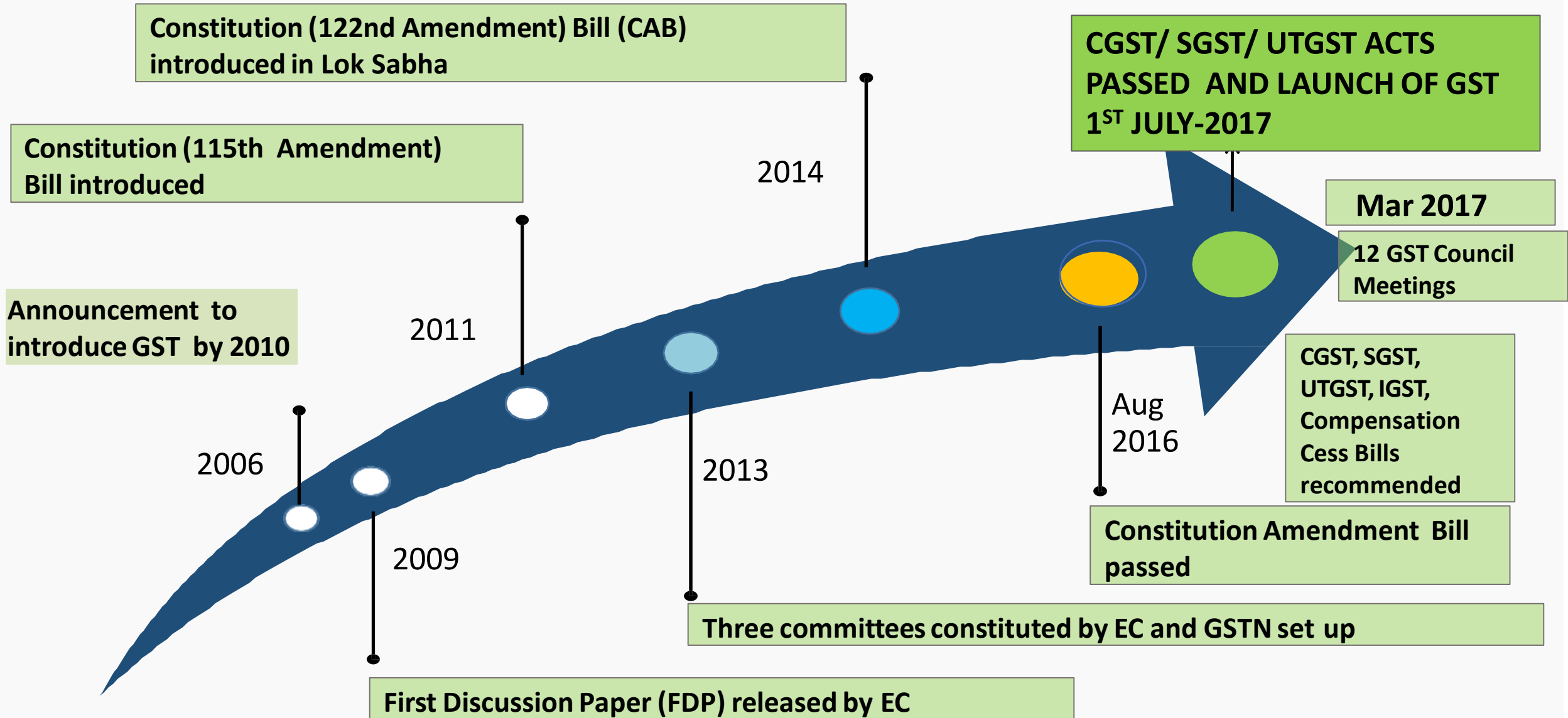
(D) To Consumers

- i. Simpler Tax system
- ii. Reduction in prices of goods & services due to elimination of cascading
- iii. Uniform prices throughout the country
- iv. Transparency in taxation system
- v. Increase in employment opportunities

GST IMPLEMENTED BY ENACTING FOLLOWINGS ACTS

- A. IGST (Integrated Goods and Services Tax) Act -2017 by Central Government = 1 Act
- B. CGST (Central Goods and Services Tax) Act -2017 by Central Government = 1 Act
- C. SGST(State Goods and Services Tax) Act -2017 by each State Government (Delhi and Pondicherry has passed SGST Act) = 28 + 2 Act
- D. UT-GST (Union Territory Goods and Services Tax) Act -2017 by Central Government = 1 Act
- E. States Compensation Act -2017 by Central Government = 1 Act
- F. Total = 34 Acts

JOURNEY OF GST



COMMODITIES KEPT OUTSIDE THE GST PURVIEW

- A. Alcohol for human consumption is kept out of GST by way of definition of GST on constitution.
- B. Five petroleum products viz. petroleum crude, motor spirit (petrol), high speed diesel, natural gas and aviation turbine fuel have temporarily been kept out of GST.
- C. Electricity has been kept out of GST.