

GST Standing Committee

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Why in News?

The central government has proposed the establishment of a new Standing Committee within the GST framework, consisting of representatives from 12 states.

GST Standing Committee

- Karnataka, Maharashtra, Uttar Pradesh, Gujarat, and Tamil Nadu are designated as the five permanent members of this committee.
- Aim** - To expand the GST tax base, improve tax compliance and reduce tax leakages through technology and data analytics.

New Standing Committee		SHANKAR IAS PARLIAMENT	
Feature		Details	
	Total states	12	
	Large states	5 permanent members	
	Medium states	4 members	
	Small states	3 members	
	Permanent members	Karnataka, Maharashtra, Uttar Pradesh, Gujarat and Tamil Nadu	
	Other members	Selected on a rotational basis	
	Rotation period	Every 2 years	
	Main objective	Expand the GST tax base and improve compliance	

Key Measures for GST Compliance

- Expansion of the GST tax base** - According to the report, India has approximately 17 million registered taxpayers.
- The central government will assist states by providing data analytics and technological

support.

- Efforts will concentrate on identifying unregistered businesses and addressing gaps in tax compliance.
- The objective is to enhance the quality of tax disclosures while ensuring that compliance processes do not become unnecessarily intrusive.
- **Business-to-Consumer (B2C) e-invoicing** - States are expected to implement B2C e-invoicing beginning April 1, according to recent reports.
- The Goods and Services Tax Network (GSTN) intends to introduce a B2C application that will enable customers to generate invoices.
- Businesses are likely to be offered incentives to adopt the system, rather than being subject to an immediate mandatory requirement.
- Expected benefits:
 - Enhanced tracking of transactions.
 - Increased transparency throughout the supply chain.
 - Reduction in tax evasion and revenue leakages.
 - Improved reconciliation of invoices and tax returns.

Goods and Services Tax (GST)

Aspect	Key information
Constitutional Amendment	101st Constitutional Amendment Act, 2016
Constitutional provision	Article 246A - power to make GST laws
GST Council	Article 279A
GST dispute resolution	Article 279A provides for the GST Council to establish a mechanism to adjudicate disputes arising out of its recommendations or implementation
Nature	Destination-based, value-added indirect tax
Implemented in India	1 July 2017
GST Network (GSTN)	Provides the technological and IT infrastructure for GST administration
GST Council Chairperson	Union Finance Minister
GST Council members	Union Minister of State in charge of Revenue/Finance and the Finance/Taxation Minister or other nominated minister of each state

Types of GST

- Central Goods and Services Tax (CGST) is collected by the central government on intra-state supplies.
- State Goods and Services Tax (SGST) is collected by the respective state government on intra-state supplies.
- Union Territory Goods and Services Tax (UTGST) applies to intra-Union Territory supplies within the relevant Union Territories.
- Integrated Goods and Services Tax (IGST) is generally applicable to inter-state supplies and imports.

Constitutional Provisions Relating to the GST Council

- **Article 246A** confers special legislative powers upon Parliament and state legislatures to enact laws pertaining to the Goods and Services Tax (GST).
- **Article 269A** governs the levy and collection of GST on inter-state trade or commerce, specifying that imports are classified as inter-state supplies for this purpose.
- **Article 279A** provides for the establishment and composition of the GST Council.
- **Article 366(12A)** defines GST as a tax imposed on the supply of goods, services, or both, while explicitly excluding taxes on the supply of alcoholic liquor for human consumption.
- **Article 270** addresses the distribution of certain taxes, including the framework for distributing GST revenues.

Reference

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