

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3922  
ANSWERED ON:26.08.2011  
GOODS AND SERVICES TAX (GST)  
Sayeed Muhammed Hamdulla A. B.

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Union Government has prepared the draft for Constitutional Amendment Bill to implement Goods and Services Tax (GST);
- (b) if so, the details thereof;
- (c) whether there are differences/reservations among States over GST, particularly over its rates;
- (d) if so, the details thereof including the representations/ suggestions received from State Governments on GST and the action taken by the Union Government thereon to bring consensus on it; and
- (e) the present status of draft Amendment Bill on GST alongwith the time by which the same is likely to be introduced?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) & (b): Yes, Sir. The Constitutional Amendment Bill to enable the introduction of Goods & Services Tax (GST) has been introduced in the Lok Sabha on 22nd March, 2011.

(c) & (d): There is broad consensus between the Centre and the States over design and structure of the GST. There are however some issues related to GST on which there are differences among States. For example, some States want Coal and Natural Gas to be included in GST, while some want to keep it out. The rate of GST has not been decided and therefore question of having differences with respect to rate of GST does not arise. In addition, some States have suggested that Centre may exempt all the goods currently exempted under Central Excise regime, under Central GST also and that Centre may fix gross annual turnover of Rs. 1.5 crore as the threshold for Central GST. Some States have demanded that they be given complete total autonomy to fix tax rates in GST regime and the provision in the Constitutional Amendment Bill related to constitution of GST Dispute Settlement Authority should be dropped. Central Government is closely engaged with Empowered Committee of State Finance Ministers (EC) to evolve consensus on various issues related to GST.

(e) The draft Amendment Bill on GST introduced in Lok Sabha on 22.03.2011 is with Standing Committee on Finance for examination.