

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

STARRED QUESTION NO:245

ANSWERED ON:29.08.2012

IMPLEMENTATION OF GOODS AND SERVICES TAX

Reddy Shri K. Jayasurya Prakash;Shankar Alias Kushal Tiwari Shri Bhisma

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

- (a) whether the Government had held a meeting of the Finance Ministers of the States recently, regarding the implementation of goods and service tax (GST) in the country;
- (b) if so, the details of the deliberations held therein along with the follow up action taken thereon; and
- (c) the manner in which the loss of revenue caused to the States as a result of implementation of GST is likely to be made up?

**Answer**

FINANCE MINISTER (SHRI P.CHIDAMBARAM)

(a) to (c): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO(c) OF LOK SABHA STARRED QUESTION NO. 245 FOR ANSWER ON 29 AUGUST. 2012

(a) & (b) The then Union Finance Minister met the Empowered Committee of State Finance Ministers on 11th February, 2011 to discuss and finalize the Constitution (Amendment) Bill regarding Goods and Services Tax. Thereafter, the said Bill was introduced in the Lok Sabha on 22nd March, 2011. The Bill is being examined by the Standing Committee on Finance. Issues relating to implementation of GST were also discussed when State Finance Ministers met Union Finance Minister on 19th August, 2011.

(c) GST is proposed to be implemented through revenue neutral rates. However, any loss of revenue caused to any State, as a result of implementation of GST, shall be compensated in a manner as mutually agreed between the Centre and the States.