

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1970
ANSWERED ON:31.07.2015
Sharing GST Revenue
Sundaram Shri P.R.

Will the Minister of FINANCE be pleased to state:

- (a) whether some State Government have objected to the proposed formula of the Union Government for sharing of revenue with States that would be earned as Goods and Service Tax (GST);
- (b) if so, the details thereof and the reasons therefor; and
- (c) the action taken/proposed to be taken by the Government to resolve this issue?

Answer

Minister of State in the Ministry of Finance be pleased to state:

- (a) No, Madam. Under the proposed GST regime, both Centre and States will simultaneously levy GST across the value chain. Tax will be levied on every supply of goods and services for consideration. Centre would levy and collect Central Goods and Services Tax (CGST), and States would levy and collect the State Goods and Services Tax (SGST) on all transactions within a State. The Centre would levy and collect the Integrated Goods and Services Tax (IGST) on all inter-State supply of goods and services. The proceeds of IGST will be apportioned between the States and the Centre, under the proposed Article 269A, as provided by Parliament by law on the recommendations of the GST Council. Further, the CGST collected by the Central Government as well as the Union's share of IGST collected will be devolved to the States as per the provisions of Article 270.
- (b) Does not apply.
- (c) Does not apply.