

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE

RAJYA SABHA UNSTARRED QUESTION NO. 1496

ANSWERED ON – 14/03/2023

IGST arrears to States

1496. SMT. JEBI MATHER HISHAM:

Will the Minister of FINANCE be pleased to state:

- (a) the States which are to be given the arrears in respect of IGST collected by the Central Government and the amount due to each State;
- (b) whether Government is intending to continue with the maintenance grant of GST;
- (c) how much amount is due to Kerala in respect of GST compensation and IGST arrears; and
- (d) whether any of the States have made lapses in the laid down procedural formalities in making available the apportioned IGST revenue, if so, the States which have defaulted and the nature of default?

ANSWER

THE MINISTER OF STATE IN MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) to (d): Integrated Goods and Services (IGST) is being levied and collected by the Centre on the inter-state supply of goods or services or both. The IGST (Domestic + Imports) so collected is apportioned / settled between the Union and the States/UTs on monthly basis, on the basis of place of consumption and cross utilization as envisaged under Goods and Services Tax Settlement of Funds Rules, 2017. Depending upon the amount of IGST remaining un-apportioned net of refund, provisional/advance settlement is being done from time to time on ad-hoc basis between Centre and States/UTs in the ratio of 50:50.

Section 7(2) of Goods and Services Tax (Compensation to States) Act, 2017 provides that the compensation payable to a State shall be provisionally calculated and released at the end of every two months period, and shall be finally calculated for every financial year after the receipt of final revenue figures, as audited by the Comptroller and Auditor General of India.

Accordingly, Government of India has already released the entire amount of provisionally admissible GST compensation to the States/UTs including Kerala for loss of Revenue arising on account of implementation of Goods and Services Tax for five years i.e., from 1st July, 2017 to 30th June, 2022. However, due to non-furnishing of final revenue figures, as audited by Comptroller and Auditor- General of India by the State, final adjustments could not be calculated and released/recovered to Kerala for the FY 2017-18 to FY 2021-22. There is no separate maintenance grant of GST.
