

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE

RAJYA SABHA
UNSTARRED QUESTION NO. 241
ANSWERED ON-22/07/2025
GST COMPENSATION TO STATES

241. SHRI DEBASHISH SAMANTARAY:

Will the Minister of FINANCE be pleased to state:-

- (a) whether Government has cleared all pending GST compensation dues to States;
- (b) if not, the reasons for the delay and State-wise pending amounts; and
- (c) whether a new mechanism is being planned post-compensation era?

ANSWER

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

(a) & (b) As per the provisions of section 7(2) of Goods and Services Tax (Compensation to States) Act, 2017, enacted by Parliament, 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. Centre has already released the entire amount of provisionally admissible GST compensation to all States/UTs 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. Final Compensation arising out of reconciliation of provisional figures with audited figures is released on receipt of AG's certificate. No amount is pending for release of the final compensation to the State/UTs except Arunachal Pradesh and Manipur as the AG certificates have not been received from the States.

(c) GST Council in its 54th GST Council Meeting held on 09.09.2024 in New Delhi recommended the constitution of a Group of Ministers (GoM) under the chairmanship of Hon'ble Union Minister of State for Finance, to make suitable proposal to replace the compensation cess after its abolition.
