

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE**

**LOK SABHA
UNSTARRED QUESTION NO. 193**

TO BE ANSWERED ON FRIDAY, THE 2nd FEBRUARY, 2018, 13 MAGHA, SAKA 1939

Refund / Adjustment of Excess GST

193. SHRI PINAKI MISRA:

Will the Minister of FINANCE be pleased to state:

- a) whether about Rs. 2 lakh crore of traders' money as excess tax is stuck with the Government since the launch of Goods and Services Tax (GST) in July, 2017 and if so, the details thereof;
- b) whether the said money is stuck due to technology issues and irrational tax rates under GST forcing several traders to shut their business and if so, the details thereof;
- c) the details of action being taken by the Government to either refund or adjust such excess tax paid by the traders under GST; and
- d) whether the tax department has no clarity to deal with this excess money of traders and if so, the details thereof?

ANSWER

**MINISTER OF STATE IN MINISTRY OF FINANCE
(SHRI SHIV PRATAP SHUKLA)**

(a) and (b): Section 59 of the Central Goods and Services Tax Act, 2017 specifies that every registered person shall self-assess the taxes payable and furnish a return for each tax period. The Goods and Services Tax (GST) rate structure for goods has been notified. For convenience, goods have been organised Goods and Services Tax (GST) rate-wise in Schedules I to VII. Accordingly, the taxpayer can determine his tax liability and discharge the due amount as Goods and Services Tax (GST). The Government has devised an elaborate refund mechanism to refund excess tax, if any, paid by the taxpayer as explained in part (c).

Subsequent to implementation of Goods and Services Tax (GST), the Government is taking regular feedback from all the stakeholders like tax consultants, trade and industry, taxpayers about issues related to Goods and Services Tax (GST) including rate structure. These issues are discussed in the Goods and Services Tax Council meetings. On the basis of the Council's recommendations, the rate structure is reviewed from time to time. The changes recommended by the Council have been given effect through notifications issued under section 9 or 11 of the CGST/SGST or section 5 of the IGST Act, 2017. In its 23rd meeting, Goods and Services Tax Council shifted 178 items of daily use from the top tax bracket of 28 per cent to 18 per cent.

(c) The process of refund of integrated tax paid on export of goods is online. In this regard, Circular No. 42/2017 - Customs dated 07.11.2017 has been issued detailing the solutions to common errors in filing of such claims. Further, Notification No. 3/2017 - Central Tax dated 23.01.2018 has been issued to enable manual intervention of Customs Officers wherever necessary for speedy processing of such refund claims. Till 29.01.2018, an amount of Rs.1818.4 crore has been paid as refund.

In case of other types of refunds, it has been decided by the Goods and Services Tax Council to provide for manual application, processing and sanction of refunds. The detailed procedure has been laid down in two Circulars No. 17/17/2017 dated 15.11.2017 and No. 24/24/2017 dated 21.12.2017 to assist the taxpayers in filing the refund claims. Till 29.01.2018, an amount of Rs. 1074.3 crore has been paid as refunds under this category.

(d) Does not arise.
