

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE

LOK SABHA

UNSTARRED QUESTION NO. 6507

TO BE ANSWERED ON FRIDAY, THE 6TH APRIL, 2018

16 Chaitra, 1940(SAKA)

GST Compensation to States

6507 : DR. K. GOPAL:

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

- a) whether the Union Government is considering to release further amounts to the States as compensation towards Goods and Services Tax (GST) implementation in addition to the amount already released and if so, the details thereof; and
- b) whether the Union Government has received many requests from the State Government in this regard and if so, the details thereof?

ANSWER

MINISTER OF STATE IN MINISTRY OF FINANCE

(SHRI SHIV PRATAP SHUKLA)

(a) to (b): As per provisions in Section 7 of the GST (Compensation to States) Act, 2017 loss of revenue to the States shall be calculated and compensation for loss of revenue to the State shall be provisionally calculated and released at the end of every two months' period for 5 years. As per Section 4 of the said Act, financial year 2015-16 has been taken as the base year for calculating compensation amount payable to States for loss of revenue during transition period. The projected nominal growth rate of revenue subsumed for a state during the transition period shall be 14% per annum. On this basis, the revenue loss due to implementation of GST to the states for the month of July, 2017 to February, 2018 has been estimated and accordingly, GST Compensation paid to the States/ UTs on bimonthly basis for the period of July 2017 to February, 2018 as below:-

Period	Amount of GST compensation paid (Rs. in crore)
July – Aug, 2017	10806
Sept – Oct, 2017	13694
Nov- Dec, 2017	3898
Jan – Feb, 2018	12749
Total	41147