

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

LOK SABHA

UNSTARRED QUESTION NO.2025

TO BE ANSWERED ON FRIDAY THE 21ST DECEMBER, 2018
AGRAHAYANA 30, 1940 (SAKA)

GST CESS

2025. SHRI M.K. RAGHAVAN:

Will the Minister of FINANCE be pleased to state:

- (a) whether there is any proposal to reduce/rationalize Goods and Services Tax (GST) on selected items and if so, the details thereof;
- (b) whether there are also plans to introduce cess on selected items;
- (c) if so, the details thereof; and
- (d) whether there is any shortfall in the GST collection and hence additional revenue is being collected through Cess and if so, the details thereof and the reasons therefor?

ANSWER

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

(a) & (b): The GST rates and cess are prescribed on the basis of recommendations of the GST Council as made from time to time. GST Council, while making recommendation takes into account the request/representation of stakeholders.

(c): GST collection in the current FY (2018-19) has been showing improvement compared to last FY (2017-18) except for the month of August, 2018. For providing compensation to the states on the account of loss of revenue, Compensation cess is being levied on certain luxury and demerit goods as per provisions in Section 8 of the GST (Compensation to States) Act, 2017. Any shortfall of revenue to States due to implementation of GST is being paid on bimonthly basis w.e.f. 01.07.2017.
