

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

LOK SABHA  
UN-STARRED QUESTION NO.1416  
TO BE ANSWERED ON MONDAY THE 1st JULY, 2019  
ASHADHA 10, 1941 (SAKA)

**Cess on GST**

**1416. SHRI N.K. PREMACHANDRAN:**

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

- (a) whether the Government proposes to give sanction to Kerala Government for levying cess on GST on account of flood and if so, the details thereof;
- (b) whether the Kerala Government has obtained the permission of GST Council for levying cess on GST on account of flood and if so, the action taken thereon;
- (c) whether the GST Council has discussed the request of Kerala Government for levying cess on GST on account of flood;
- (d) if so, the details of discussion held along with the proposed rate of cess on account of flood; and
- (e) whether the GST Council has given sanction to Kerala Government for levying cess on GST on account of flood and if so, the details of cess sanctioned?

**ANSWER  
FINANCE MINISTER  
(Smt. NIRMALA SITHARAMAN)**

**(a) & (e):**

Kerala Government has proposed to raise funds by imposing cess on sale of goods and services under GST by the state government to meet the flood situation in the State. Accordingly, the matter has been discussed in 30th GST Council meeting held on 28th September, 2018.

As per recommendation of GST Council, a Group of Ministers (GoM) has been constituted to examine modalities for revenue mobilization for natural calamities and disasters. After discussion/deliberations, the GoM has submitted its report on 08.01.2019 with proposal that Keeping in view the proposal of Kerala, GoM recommended that Council may consider allowing levy of a cess on intra-state supply of goods and services within the state of Kerala at a rate not exceeding 1% for a period not exceeding two years.

The GST Council has approved the GoM's recommendation allowing levy of a cess on intra-state supply of goods and services within the State of Kerala at a rate not exceeding 1% for a period not exceeding two years.

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