

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE

LOK SABHA UNSTARRED QUESTION NO- 2362

TO BE ANSWERED ON Monday, July 8, 2019/Ashadha 17, 1941 (Saka)

Tax Share of States

2362. SHRI KAUSHALENDRA KUMAR:

Will the Minister of FINANCE be pleased to state:

(a) whether the tax share of the States has been increased because of the huge recovery of the Goods and Services Tax (GST) per month;

(b) if so, whether the increased tax is likely to be utilized for the development of these States and if so, the details thereof;

(c) whether the Government proposes to reduce GST rates in view of the huge GST recovery;

(d) if so, the details thereof; and

(e) the steps being taken to simplify the GST?

ANSWER
MINISTER OF STATE IN MINISTRY OF FINANCE
(SH. ANURAG SINGH THAKUR)

(a) & (b): Details of tax devolution released/ allocated to the States for the financial year 2017-18 to 2019-20 is furnished below: -

(Rs. In Crores)

Actual 2017-18	Actual 2018-19	BE 2019-20 (Interim)
673005	761454	844605

(c) & (d): Decision on GST rates are taken on the basis of the recommendations of the GST Council. Presently, there is no proposal under consideration by the Government based on the recommendation of the GST Council to modify/revise or reduce GST rates.

(e) Based on the representations received from various stakeholders and recommendations of the GST Council, the Government has taken various steps towards simplification of GST. Some of the steps taken in this regard are as follows:

1. Vide notification No. 10/2019 – Central Tax dated 07.03.2019, the threshold limits of aggregate turnover for exemption from registration and payment of GST for

the persons **exclusively engaged in the supply of goods** has been fixed at Rs. 40 lakhs. The said limit shall be Rs. 20 lakhs in the States of Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Puducherry, Sikkim, Telangana, Tripura and Uttarakhand with effect from 01.04.2019.

2. Service providers making inter-State supplies, including those supplying through e-commerce operators, whose aggregate annual turnover does not exceed Rs. 20 Lakh, have been exempted from the requirement of registration under GST.
3. The GST Council, in its 32nd meeting held on 10.01.2019, recommended to increase the limit of annual turnover in the preceding Financial Year for availing Composition Scheme for supplier of Goods to Rs 1.5 crores. The said limit would be Rs. 75 lakh in special category States of Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura and Uttarakhand. Also, the compliance under Composition Scheme has been simplified as **composition taxpayers have to file only one annual return with quarterly payment of taxes** (along with a simple declaration). This has been implemented w.e.f. 01.04.2019 vide issuance of notification No. 14/2019-Central Tax dated 07.03.2019.
4. A **Composition Scheme has been made available for suppliers of services** (to those who are not eligible for the presently available Composition Scheme) with a tax rate of 6% (3% CGST + 3% SGST) having an annual turnover in the preceding Financial Year up to Rs. 50 lakhs. They would be required to file one annual return with quarterly payment of taxes. This has been implemented w.e.f. 01.04.2019 vide issuance of notification No. 2/2019-Central Tax (Rate) dated 07.03.2019.
5. New return model: The GST Council, in its 31st meeting held on 22.12.2018 at New Delhi, decided that a new GST return system will be introduced to facilitate taxpayers. All taxpayers, excluding small taxpayers having aggregate turnover below Rs. 5 crores, and a few exceptions like Input Service Distributor (ISD) etc. shall file one monthly return. The details of outward supplies shall be reported in **FORM GST ANX-1** and **FORM GST ANX-2** shall capture the details of inward supplies for availing input tax credit. Return filing dates shall be staggered based on the turnover of the taxpayer. Invoices can be uploaded continuously by the seller and can be continuously viewed and locked by the buyer for availing input tax credit. **NIL** return filers (no purchase and no sale) shall be given facility to file return by sending SMS. Small taxpayers (annual turnover less than Rs 5 crores) shall have the facility to file quarterly return with monthly payment of taxes on self-declaration basis. The GST Council, in its 35th meeting held on 21st June, 2019, had approved a roadmap for the phased rollout of the new return system starting from July, 2019.
6. Aadhaar-enabled GST Registration: In order to ease the current process of GST registration and reduce the paperwork involved, GST Council, in its 35th meeting held on 21st June, 2019, has given in principle approval to a new system for verification of taxpayers registering themselves under GST by linking their Aadhaar number with GSTIN (GST Identification Number).
