GST Share of Maharashtra and Uttar Pradesh

Will the Minister of Finance be pleased to state:

(a) the GST amount of Maharashtra and Uttar Pradesh to be paid by the Central Government;

(b) the time by which the Central Government proposes to pay the Goods and Services Tax share of Maharashtra and Uttar Pradesh along with the reasons for withholding/delay in the payment;

(c) whether the Government is planning to regularize the GST Payment so that none of the State Governments are deprived of their rightful funds on time; and

(d) if so, the details thereof?

ANSWER

THE MINISTER OF STATE IN MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) to (d): GST collection consists of CGST, SGST and IGST. CGST is credited to Consolidated Fund of India (CFI) while SGST is credited to the Consolidated Fund of respective States. IGST is being levied and collected by the Centre. The IGST (Domestic + Imports) so collected is apportioned / settled between the Union and the States/UTs on monthly basis, on the basis of place of consumption and cross utilization of ITC(Input Tax Credit) as envisaged under Goods and Services Tax Settlement of Funds Rules, 2017. For the amount of IGST remaining un-apportioned, provisional/advance settlement is done from time to time on an ad-hoc basis between Centre and States/UTs in the ratio of 50:50.

As per section 18 of the Constitution (One Hundred and First Amendment) Act, 2016, compensation to the States for loss of revenue arising on account of implementation of the goods and services tax is payable for a period of five years. During this five year transition period, the States’ revenue is protected at 14% per annum over the base year revenue of 2015-16. Central Government is committed for payment of GST compensation to States/UTs for five years as per law enacted by the Parliament according to the Constitutional provision.
Section 7(2) of Goods and Services Tax (Compensation to States) Act, 2017, enacted by Parliament, provides that the compensation payable to a State shall be provisionally calculated and released at the end of every two months period, and shall be finally calculated for every financial year after the receipt of final revenue figures, as audited by the Comptroller and Auditor General of India. Government of India has already released the entire amount of provisionally admissible GST compensation to all States/UTs including Maharashtra and Uttar Pradesh for loss of revenue arising on account of implementation of Goods and Services Tax for five years i.e., from 1st July, 2017 to 30th June, 2022. Final Compensation arising out of reconciliation of provisional figures with audited figures is released immediately on receipt of the AG's certificate. No amount of share of GST is pending to be given to the States including the States of Maharashtra and Uttar Pradesh.

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