

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE

LOK SABHA UNSTARRED QUESTION NO. 4606
TO BE ANSWERED ON MONDAY, THE 23rd MARCH, 2020, CHAITRA 3, 1942 (SAKA)

Rebate under Goods and Services Tax

4606. SHRI SUMEDHANAND SARASWATI:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government proposes to provide rebate in Goods and Services Tax (GST) on the payments made through digital mode to promote digital payments;
- (b) if so, the details thereof along with the details of rebate provided to consumers, retailers and wholesalers; and
- (c) the other measures being taken by the Government to promote payments through digital mode?

ANSWER

THE MINISTER OF STATE IN MINISTRY OF FINANCE
(SHRI ANURAG SINGH THAKUR)

(a) to (c): In order to promote digital payments, Section 31A has been inserted in the Central Goods and Services Tax Act, 2017. This new section mandates certain registered suppliers to give their recipients the option of prescribed modes of electronic payments. Further, it is submitted that dynamic Quick Response (QR) code-based invoices will be generated to incentivize customers in case of B2C (Business to Consumer) transactions who opt for digital payment under GST. In this regard, NPCI (National Payment Corporation of India) has been entrusted with the responsibility to develop the necessary software.

With the intention to encourage cashless economy, Government has asked businesses with turnover exceeding Rs 50 crore to mandatorily provide electronic modes of payment from November 1, 2019. To this end, a new provision, namely Section 269SU, has been inserted in the Income-tax Act, 1961. It is further informed that another provision, Section 10A, has been added to Payment and Settlement Systems Act, 2007. The provision prohibits banks and payment system providers from imposing any charge on transactions through electronic modes of payments specified in Section 269SU of the Income-tax Act. These new provisions had come into effect from November 1, 2019.
