

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
LOK SABHA

UNSTARRED QUESTION NO- 3058

TO BE ANSWERED ON MONDAY, MARCH 15, 2021/PHALGUNA 24, 1942 (SAKA)

DISTRIBUTION OF GST

3058. SHRI THIRUMAAVALAVAN THOL:

Will the Minister of FINANCE be pleased to state:

(a) whether the share of Goods and Services Tax (GST) is distributed to the States and if so, the details of GST collected by the Centre and the amount of States' Share distributed since the implementation of the new GST scheme and till date;

(b) whether the compensation to the States for the revenue loss due to the implementation of the new GST is distributed within the time mentioned for its distribution;

(c) if so, the details thereof; and

(d) whether any timelimit is specified to distribute the compensation to the States for the revenue loss incurred due to the implementation of the new GST and if so, the details thereof?

ANSWER

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

(a) In case of intra-State supply of goods or services or both, CGST so collected has been credited to Consolidated Fund of India(CFI) while SGST being credited to the Consolidated Fund of respective States, whereas inter-State supply of goods or services or both is concerned, IGST is being levied and collected by the Centre. The IGST so collected has been apportioned/settled between the Union and the States/UTs on monthly basis, on the basis of place of consumption and cross utilization as envisaged under GST law. Therefore, no State's share of Goods and Services Tax (GST) is pending with Union of India to be paid to the States. The details of the IGST collected and shared with the States/UTs are as under:-

(₹ in crore)

| FY | IGST collected | SGST share of IGST released to States/ UTs |
|--------------------------|----------------|--------------------------------------------|
| 2017-18 | 3,87,356 | 1,19,663 |
| 2018-19 | 5,98,739 | 2,39,948 |
| 2019-20 | 5,86,699 | 2,10,972 |
| 2020-21 (till Feb'21) | 5,02,877 | 1,86,654 |

(b) (c) & (d) As per provisions in Section 7 of the GST (Compensation to States) Act, 2017 loss of revenue to the States shall be calculated and released at the end of every two months'

period for 5 years. Accordingly, admissible GST compensation has already been released to the States for the FY [2017-18](#), [2018-19](#) and 2019-20 for loss of revenue due to implementation of GST (w.e.f. 01.07.2017). Further, GST compensation of Rs. 40,000 crore has been released to all States/UTs to meet partly the bi-monthly compensation for period April-May, 2020. The balance GST Compensation for the period April-May, 2020 and GST Compensation for the full period June-January'21 is pending to all States/UTs due to inadequate amount in GST Compensation Fund during current Financial Year. This has happened mainly due to the economic impact of the pandemic that has led to higher compensation requirement due to lower GST collection and at the same time lower collection of GST Compensation Cess.

In order to meet the shortfall in GST Compensation to be paid to States, under the special window, Rs. 1.1 lakh crore will be borrowed by Government of India in appropriate tranche. The amount so borrowed will be passed on to the States as loan on back-to-back basis to help the States to meet the resource gap due to non-release of compensation due to inadequate balance in the compensation fund. As per this decision, Central Government has released ₹1,06,104 crores to the States till 08.03.2021 as per **Annexure**. All States have decided to take benefit of this assistance to tide over the temporary resource gap. The states will be paid full GST Compensation as per GST (Compensation to States) Act, 2017 for the transition period by extending the levy of Compensation cess beyond 5 years to meet the GST revenue shortfall as well as servicing the loan borrowed through special window scheme.

Details of payment of back to back loan in lieu of GST Compensation Shortfall

(Amount ₹ in Crore)

| Name of State/UT | Amount released under Special borrowing scheme (as on 08.03.2021) |
|-------------------------|--------------------------------------------------------------------------|
| Andhra Pradesh | 2307 |
| Arunachal Pradesh | 0 |
| Assam | 992 |
| Bihar | 3898 |
| Chhattisgarh | 2655 |
| Goa | 838 |
| Gujarat | 9204 |
| Haryana | 4344 |
| Himachal Pradesh | 1714 |
| Jharkhand | 1442 |
| Karnataka | 12383 |
| Kerala | 4923 |
| Madhya Pradesh | 4533 |
| Maharashtra | 11954 |
| Manipur | 0 |
| Meghalaya | 112 |
| Mizoram | 0 |
| Nagaland | 0 |
| Odisha | 3815 |
| Punjab | 7138 |
| Rajasthan | 4249 |
| Sikkim | 0 |
| Tamil Nadu | 6229 |
| Telangana | 2197 |
| Tripura | 226 |
| Uttar Pradesh | 5995 |
| Uttarakhand | 2312 |
| West Bengal | 3784 |
| UT of Delhi | 5854 |
| UT of J&K | 2268 |
| UT of Puducherry | 741 |
| Total | 106104 |