

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
LOK SABHA
UNSTARRED QUESTION NO-23
TO BE ANSWERED ON MONDAY, THE 18TH JULY, 2022

MEETING OF GST COUNCIL

23. SHRI RAJA AMARESHWARA NAIK:
PROF. SOUGATA RAY:
SHRI BHOLA SINGH:
SHRI RAJVEER SINGH (RAJU BHAIYA):
SHRI VINOD KUMAR SONKAR:
DR. SUKANTA MAJUMDAR:
SHRIMATI SANGEETA KUMARI SINGH DEO:
SHRI S. VENKATESAN:
DR. JAYANTA KUMAR ROY:
SHRI POCHA BRAHMANANDA REDDY:

Will the Minister of FINANCE be pleased to state:-

(a) whether the 47th Meeting of Goods and Services Tax (GST) Council was held recently and if so, the details thereof including the recommendations made therein along with the decisions taken on changes in GST Slabs to various items and proposal to include all consumable items under GST;

(b) whether the Union Government has released GST due to States and if so, the details thereof along with the amount of pending GST compensation dues, State-wise;

(c) whether it is true that GST compensation received by the States forms a large part of their revenue and if so, the details thereof;

(d) whether the State Governments have requested the Union Government to extend the GST compensation cess;

(e) if so, the details thereof along with the names of States which demanded continuance of GST compensation in the meeting including those that took up the position that it needed not continue and the response of the Government in this regard; and

(f) whether the Government has proposed any change in the ratio of sharing of CGST and SGST and if so, the details thereof?

ANSWER

THE MINISTER OF STATE IN MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

(a):- Yes Sir, 47th Meeting of Goods and Services Tax (GST) Council was held at Chandigarh on 28th & 29th June, 2022. GST Council has taken decisions on many issues including revision of GST rate, removal of GST exemptions etc. On the recommendation of Group of Ministers (GoM) on rate rationalization, GST rate was revised to remove inverted duty structure on certain goods and services. Similarly, GST Council had also recommended reduction of GST rates on certain goods like medical appliances and services like transport of goods and passengers by ropeways. Hitherto GST was exempted on specified food items, grains etc. when not branded, or right on the brand has been foregone. It has been recommended to revise the scope of exemption to exclude from it pre-packaged and pre-labelled retail pack in terms of Legal Metrology Act, including pre-packed, pre-labelled curd, lassi and butter milk etc. GST Council also took various decisions relating to procedural aspects of GST, some to make compliance easier and some to plug leakages including e-way Bills for gold and precious stones.

(b):- Taking into account ₹ 1.10 lakh crore for FY 2020-21 and ₹ 1.59 lakh crore for FY 2021-22 released to States/UTs as back to back loan in lieu of GST compensation, entire GST compensation dues of States/UTs has been cleared by Central Government for period up to 31.05.2022 by releasing of ₹ 86912 crore. This decision has been taken despite the fact that only about ₹ 25,000 crore was available in the GST Compensation Fund. The balance has been released by the Centre from its own resources pending collection of Cess. Now, GST compensation for month of June, 2022 pending to all States/UTs is as per **Annexure**. Centre is committed to release full GST Compensation to the States/UTs as per GST (Compensation to States) Act, 2017 for the transition period by extending the levy of Compensation cess beyond 5 years.

(c):- No Sir.

(d) & (e):- A few States have requested the Union Government to extend the GST compensation period beyond June, 2022. In this regard, it is stated that as per section 18 of the Constitution (One Hundred and First Amendment) Act, 2016, *Parliament shall, by law, on the recommendation of the Goods and Services Tax Council, provide for compensation to the States for loss of revenue arising on account of implementation of the goods and services tax for a period of five years.*

As decided in the 42nd GST Council meeting, Centre has extended levy and collection of GST Compensation Cess upto March, 2026 vide Notification No.1/2022-Compensation Cess dated 24.06.2022. The amount so collected would be utilized for the repayment of back to back loans released to States in 2020-21 and 2021-22 in lieu of GST Compensation shortfall and for payment of GST compensation for the month of June, 2022 and arrears of previous FYs based on AG reconciled figures.

(f):- No Sir.

**Details of provisional GST compensation pending for the month of
June 2022**

(in Rs. Crore)

S. No.	Name of State/UT	Balance GST compensation yet to be released
(1)	(2)	(3)
1	Andhra Pradesh	1371
2	Arunachal Pradesh	-
3	Assam	386
4	Bihar	418
5	Chhattisgarh	1005
6	Delhi	2415
7	Goa	244
8	Gujarat	2311
9	Haryana	1331
10	Himachal Pradesh	455
11	J & K	418
12	Jharkhand	685
13	Karnataka	3849
14	Kerala	1559
15	Madhya Pradesh	1452
16	Maharashtra	4183
17	Manipur	-
18	Meghalaya	-
19	Mizoram	-
20	Nagaland	-
21	Odisha	1052
22	Puducherry	146
23	Punjab	1977
24	Rajasthan	1640
25	Sikkim	-
26	Tamil Nadu	2493
27	Telangana	1134
28	Tripura	-
29	Uttar Pradesh	2417
30	Uttarakhand	687
31	West Bengal	1637
	Total	35266