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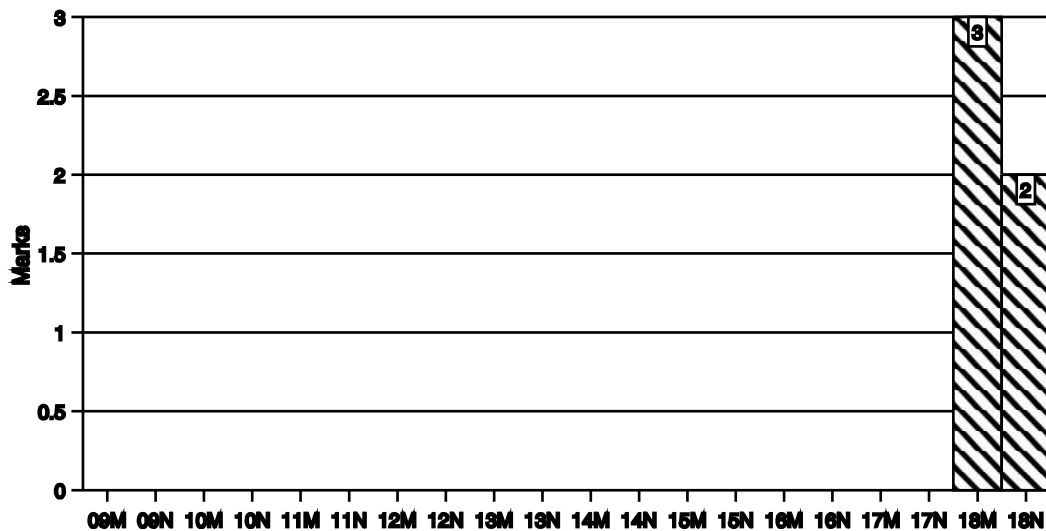
On the basis of Maximum marks from a chapter Nil
 On the basis of Questions included every year from a chapter Nil
 On the basis of Compulsory questions from a chapter Nil

CHAPTER	GST in India - An Introduction
1	
THIS CHAPTER COMPRISES OF	
⇨ Direct and Indirect Taxes ⇨ Features of Indirect Taxes ⇨ Genesis of GST in India ⇨ Concept of GST ⇨ Need for GST in India ⇨ Framework of GST as introduced in India ⇨ Benefit of GST ⇨ Constitutional Provisions	

Marks of Objective, Short Notes, Distinguish Between, Descriptive & Practical Questions

Legend

 Objective
  Short Notes
  Distinguish
  Descriptive
  Practical

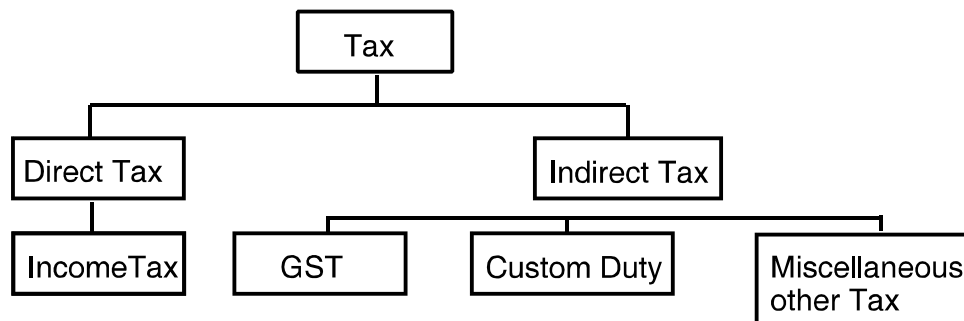


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Chapter at a Glance

Basic for Taxation

India is a socialist, democratic and republic country, Constitution of India is supreme law of land. All other laws, including the Income Tax Act, Central Goods and Services Tax Act are subordinate to the Constitution of India. The Constitution provides that 'no tax shall be levied or collected except by Authority of Law'.



Direct Taxes and Indirect Taxes

(A) Direct Taxes: They are imposed on a person's income. Direct Taxes charge in on person concern and burden is borne by person on whom it is imposed.

Example: Income Tax

(B) Indirect Taxes: They are imposed on goods/services. The immediate liability to pay is of supplier but its burden is transferred to the ultimate consumers of such goods/ services.

Example: GST, Customs Duty etc.

Genesis of GST in India

1. It has now been more than a decade since the idea of **National Goods and Services Tax (GST)** was mooted by **Kelkar Task Force in 2004**. The Task Force strongly recommended fully integrated 'GST' on national basis.
2. Subsequently, the then Union Finance Minister, Shri P. Chidambaram, while presenting the Central Budget (2007-2008), announced that GST

would be introduced from April 1, 2010. Since then, GST missed several deadlines.

3. Internationally, GST was **first introduced in France** in 1954 and now more than 160 countries have introduced GST.
4. Most of the countries, depending on their own socio-economic formation, have introduced National level GST (levy by centre) or Dual GST (simultaneous levy by centre and state). **India has adopted Dual GST model** as followed in **Canada and Brazil**.

Power to tax GST (Constitutional Provisions)

The Constitution (101st Amendment) Act, 2016 as notified on 8th September, 2016 paved the way for implementation of GST.

Article 246A has been inserted in the Constitution, which is as under:

246A(1)	Parliament and the Legislature of every State, have power to make laws with respect to goods and services tax imposed by the Union or by such State.
246A(2)	Parliament has exclusive power to make laws with respect to goods and services tax where the supply of goods, or of services, or both takes place in the course of inter-State trade or commerce.

Extent and Commencement

1. It extends to the whole of India including the State of Jammu and Kashmir.
2. It has come into force on 1st July 2017. However, different dates have been appointed for applicability of different provisions of GST.
3. India is a summation of three categories of territories namely –
 - (i) States (29);
 - (ii) Union Territories with Legislature (2); and
 - (iii) Union Territories without Legislature (5).

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DESCRIPTIVE QUESTION

2018 - May [11] (c) List any six state levies, which are subsumed in GST.
(3 marks)

Answer:

The six state levies which are subsumed in GST are as follows:

1. State Value Added Tax/Sales Tax
2. Entertainment Tax (other than the tax levied by the local bodies)
3. Central Sales Tax (levied by the Centre and collected by the States)
4. Octroi and Entry tax
5. Purchase Tax
6. Luxury tax

— Space to write important points for revision —

2018 - Nov [12] (c) (i) List any four Central levies, which are subsumed in GST.
(2 marks)

Topic not yet asked but equally important for examination

DISTINGUISH BETWEEN

Q1. Difference between Direct Taxes & Indirect Taxes

Answer:

Particulars	Direct Taxes	Indirect Taxes
Meaning	Direct Taxes are those taxes where the incidence and impact falls on the same person.	Indirect Tax is a tax where incidence and impact fall on two different person.
Nature of tax	Direct Tax is progressive in nature.	Indirect Taxes is regressive in nature.

Taxable Value	Taxable income of the Assessee.	Value of supply of goods services.
Levy & Collection	Levied and collected from the Assessee.	Levied & collected from the consumer but paid to the Exchequer by the Dealer.
Shifting of Burden	Directly borne by the Assessee. Hence, cannot be shifted.	Tax burden is shifted to the subsequent/ ultimate user.
Collected	After the Income for a year is earned	At the time of supply of goods or services.

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► DESCRIPTIVE QUESTIONS

Q1. Whether CGST & SGST/UTGST is applicable on import of goods or service or both?

Answer:

In terms of Section 7 of the IGST Act, 2017, import of goods or services or both are shall be treated to be a supply in the course of inter-State trade or commerce. Accordingly, tax under the provisions of IGST Act, 2017 (IGST) shall apply on import of goods or services or both.

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Q2. Define Supplier under CGST Act.

Answer:

Supplier in relation to any goods or services or both, shall mean the person supplying the said goods or services or both and shall include an agent acting as such on behalf of such supplier in relation to the goods or services or both supplied.

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Q3. What are the taxes that are levied on an intra-State supply?

Answer:

In terms of Section 9 of the CGST Act, 2017, intra-State supplies are liable to CGST & SGST. In terms of Section 7 of UTGST Act, 2017, intra-State supplies effected by a taxable person located in Union Territory (within the Union Territory) will be liable to CGST & UTGST.

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