

GST Council

GST Council is the governing body of GST having 33 members, out of which 2 members are of center and 31 members are from 28 state and 3 Union territories with legislation. The council contains the following members (a) Union Finance Minister (as chairperson) (b) Union Minister of States in charge of revenue or finance (as member) (c) the ministers of states in charge of finance or taxation or other ministers as nominated by each states government (as member). GST Council is an apex member committee to modify, reconcile or to procure any law or regulation based on the context of goods and services tax in India.

The GST council is responsible for any revision or enactment of rule or any rate changes of the goods and services in India.

Members of GST Council:

The GST Council is a joint forum of the Centre and the States, and consists of the following members:

1. Chairperson- Union Finance Minister
2. Vice chairperson- to be chosen from amongst the members of Ministers of State government
3. Members-
 - (a) The Union Minister of State, in-charge of Revenue/Finance

- (b) The Minister In-charge of finance or taxation or any other Minister nominated by each State Government

Power of GST council only recommendatory in nature:

As per Article 279A (4), the Council will make recommendations to the Union and the States on important issues related to GST, like

- a) The goods and services that may be subjected or exempted from GST.
- b) Principles that govern **Place of Supply**.
- c) Threshold limits.
- d) **GST rates** including the floor rates with bands, special rates for raising additional resources during natural calamities/disasters or **RNR**
- e) Special provisions for certain States, etc.
- f) **Transition Provisions**

Quorum for GST Council Meetings

- The quorum of GST council is 50% of total members
- Decision is taken by 3/4th majority (75%), wherein-
 - (a) the Central Government would have the weightage of 1/3rd of the total vote cast, and
 - (b) the State Governments would have a weightage of 2/3rd of the total votes cast.

Functions of the GST Council

GST Council is basically entrusted with task to make recommendations on the different aspects of GST to the Union as well as states.

GST Council under the Constitution is required to make recommendations on the following:

- (a) the taxes, cesses and surcharges which may be subsumed in the goods and services tax;
- (b) the goods and services that may be subjected to, or exempted from the goods and services tax;
- (c) model GST Laws, principles of levy, apportionment of IGST and the principles that govern the place of supply;
- (d) the threshold limit of turnover below which goods and services may be exempted from goods and services tax;
- (e) GST rates including floor rates;
- (f) any special rates for a specified period, to raise additional resources during any natural calamity or disaster;
- (g) special provision with respect to the States of Arunachal Pradesh, Assam, Jammu and Kashmir, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Himachal Pradesh and Uttarakhand; and
- (h) any other matter relating to the GST, as the Council may decide.

The GST Council shall also recommend the date on which GST will be levied on petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas and aviation turbine fuel.

Features of GST Council

GST Council has the following features –

- The office of the council is located in New Delhi
- The Ex-officio Secretary to the GST Council is the Revenue Secretary of India
- The Central Board of Excise and Customs (CBEC) is a chairperson and a permanent, non-voting invitee for all the meetings of the GST Council
- A post for Additional Secretary to the GST Council would be created. This post would be equivalent to the level of the Additional Secretary to the Indian Government.
- At the level of Joint Secretary of the GST Council, four posts of commissioner would be created in the GST Council Secretariat
- The GST Council Secretariat would consist of officers on a deputation basis appointed from the Central as well as the State Governments

Goods and Service Tax Network (GSTN)

The Goods and Service Tax Network (or GSTN) is a non-profit, non-government organization. It will manage the entire IT system of the GST portal, which is the mother database for everything GST. This portal will be used by the government to track every financial transaction, and will provide taxpayers with all services – from registration to filing taxes and maintaining all tax details.

Structure of GSTN

Private players own 51% share in the GSTN, and the rest is owned by the government. The authorized capital of the GSTN is ₹10 crore (US\$1.6 million), of which 49% of the shares are divided equally between the Central and State governments, and the remaining is with private banks.

Salient Features of the GSTN

The GSTN is a complex IT initiative. It will establish a uniform interface for the taxpayer and also create a common and shared IT infrastructure between the Centre and States.

- **Trusted National Information Utility**

The GSTN is a trusted National Information Utility (NIU) providing reliable, efficient and robust IT backbone for the smooth functioning of GST in India.

- **Handles Complex Transactions**

GST is a destination based tax. The adjustment of IGST (for inter-state trade) at the government level (Centre & various states) will be extremely complex, considering the sheer volume of transactions all over India. A rapid settlement mechanism amongst the States and the Centre will be possible only when there is a strong IT infrastructure and service backbone which captures, processes and exchanges information.

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- **All Information Will Be Secure**

The government will have strategic control over the GSTN, as it is necessary to keep the information of all taxpayers confidential and secure. The Central Government will have control over the composition of the Board, mechanisms of Special Resolution and Shareholders Agreement, and agreements between the GSTN and other state governments. Also, the shareholding pattern is such that the Government shareholding at 49% is far more than that of any single private institution.

- **Expenses Will Be Shared**

The user charges will be paid entirely by the Central Government and the State Governments in equal proportion (i.e. 50:50) on behalf of all users. The state share will be then apportioned to individual states, in proportion to the number of taxpayers in the state.

Functions of GSTN

GSTN is the backbone of the Common Portal which is the interface between the taxpayers and the government. The entire process of GST is online starting from registration to the filing of returns.

It has to support about 3 billion invoices per month and the subsequent return filing for 65 to 70 lakh taxpayers.

The GSTN will handle:

1. Invoices
2. Various returns
3. Registrations
4. Payments & Refund

What is the GSTIN?

The Goods and Service Tax Identification Number (GSTIN) is the unique number each taxpayer will receive once they have registered on the common portal. It is based on a taxpayer's PAN.