

# Opportunities to CS under GST

- The indirect tax law in India is in its last leg of maturity
- It's a big major change in principle and no further change is anticipated
- All professionals on a common platform – almost
- Not all professionals deal with all areas covered under GST
- Everyone is learning or unlearning
- Past legal pronouncements are immaterial – save ratios

# Opportunities to CS under GST

- Less complicated law; more importance on procedures
- Compliance vis-à-vis Litigation practice
- Only model law is released. Preparatory time is available now
- Technology to learn and update

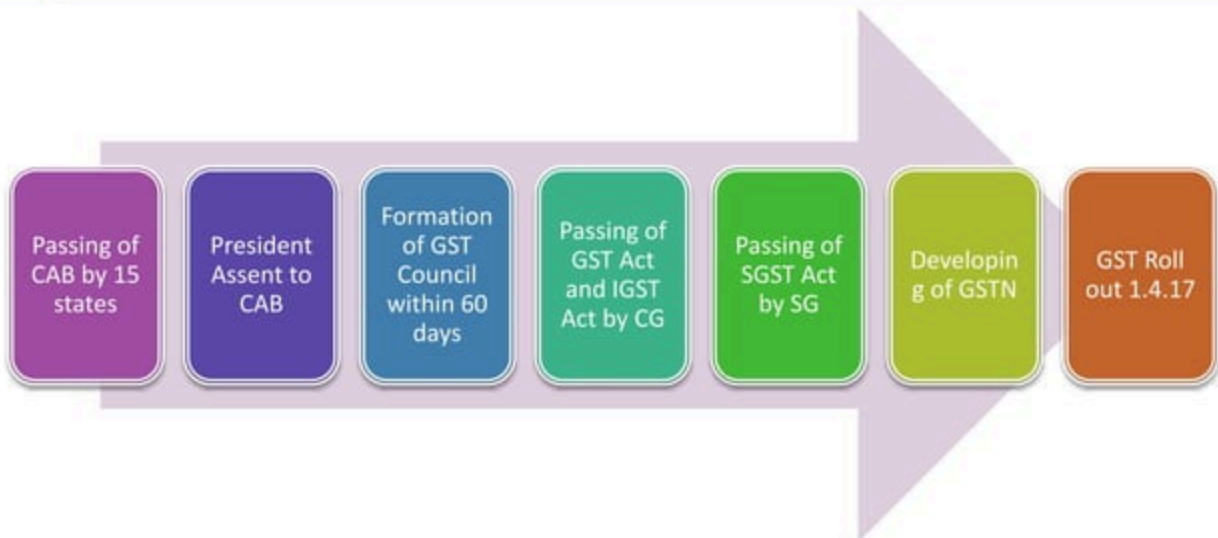
# Need for GST

- A complete destination based tax system
- Benefit principle of taxation – 2 ideas – Beneficiary pays & Proportionately pays'
- A single tax to replace multiple indirect taxes levied both at the Centre and State level.
- Cascading effect of tax as set-off of prior-stage taxes was not available.
- Tax burden on goods and services had to be reduced benefiting common man.
- To make our products competitive in domestic and international markets.
- To boost economic activity and create more jobs.

# Constitutional Amendment

- Article 246 draws a line of restriction on Centre and States due to which State cannot levy tax on Services and center on sale of goods.
- The Constitution (122nd) Amendment Bill was passed in this effect wherein Article 246A is inserted to provide for levy of GST
- Article 269A is inserted for levy of GST on inter-State supply of goods and services by the Centre and for creation of GST Council
- Compensation to the States for loss of revenue arising on account of implementation of the GST for a period extending upto 5 years
- Additional tax of 1% on supply of goods for the originating state in case of inter state transaction is dropped

# Way Ahead...



Whether GST is a Money Bill or a Finance Bill...???

# GST Council

- President to constitute GST council with 60 days
- It is constitutional body
- GST Council would be constituted comprising the Union Finance Minister, MoS (Revenue) and the State Finance/Taxation Ministers
- Votes cast by states would two-third weightage whereas the centre would get a one-third weightage
- Quorum of 50 percent and decisions will be taken with a at least three-fourth weighted majority voting for a resolution